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THE UNIVERSITY OF ALBERTA

Motivations and Canadian foreign aid policy to Africa

by

Ehidiame-John Inegbedion

(C)

A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES AND RESEARCH

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE

OF Master of Arts

Department of Political Science

EDMONTON, ALBERTA

Spring 1986

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Supervisor

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Date. March 25, 1980

Abstract

This thesis deals with bilateral foreign aid in Canada-Third World relations. Focusing on Africa, it seeks to present a better understanding of economic assistance in Canadian foreign policy towards the developing countries. Specifically, it is an analysis of the motives which serve to inform Canada's foreign aid policy. Is it humanitarian and altruistic as the government claims; or is it economic and commercial as many critics argue; or is it political or ideological as others contend?

The findings of this study suggest that humanitarianism is more of an emotional appeal used by the government to retain public support for the aid program. While self-interested materialism manifested in tied aid is of considerable influence, political motives appear consistent and overwhelming in aid policy. As a strategy for acquiring diplomatic credit, foreign aid functions as the most effective political tool in Canada's relations with the developing countries.

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I. Introduction

Foreign aid is generally accepted as an instrument of foreign policy. What specific motives inform its use is a debate upon which there appears to be no agreement. In the case of the United States, for example, foreign aid is seen as a major weapon in the ideological war to contain Communism. In the words of President John F. Kennedy:

> Foreign aid is a method by which the United States maintains a position of influence and control around the world and sustains a good many countries which would definitely collapse or pass into the Communist bloc.[1]

As the argument claims, aid is provided with the aim of getting other nations to join forces with the United States against the Soviet camp.[2] The Marshall Plan, aid to Korea, Taiwan, Vietnam and other countries in South and South-East Asia are instances that have been cited in support of this argument.[3] The use of economic assistance to protect vital national interest is not, however, restricted to the United States. It is an argument easily extended to the British and French foreign aid strategies in Africa and other parts of the world.[4]

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[1]Cited in Teresa Hayter, The Creation of World Poverty: An Alternative View to the Brandt Report, (London: Pluto Press Ltd., 1981), p. 83.

[2]This is discussed in greater detail in Raymond F. Mikesell, The Economics of Foreign Aid, (Chicago: Aldine Publishing Co., 1968), pp. 5-12.

[3]John D. Montgomery, The Politics of Foreign Aid: American Experience in Southeast Asia, (New York: Frederick A. Praeger, Publishers, 1962), pp. 19-36.

[4]For an insight into the British and French versions, see the Overseas Development Institute, British Aid, Government Finance: A Factual Survey of Britains's Government Aid to Developing Countries, (London: Overseas Development

On the economic spectrum, the rationales for development aid range from one extreme to the other. One variant of the argument contends that economic assistance is a means by which the developed countries promote their export, trade and investment in the Third World. This perspective maintains that international development transfers are not a genuine attempt to redistribute wealth from the North to the South, as the concept of aid implies. Foreign aid, instead, is a strategy designed to open markets for donor products and protect their economic and commercial interests, for short term gains and long term benefits. An opposing view holds that foreign aid, like the Marshall Plan, would provide the Third World countries with the missing capital for economic "take-off" to self-sustaining growth. In effect, the wealth to be created would give rise to a stable social and political environment in the underdeveloped countries.[5]

The third rationale, humanitarianism, refers to the moralistic notion that those who have should give to those who have not. In this approach, aid is seen as a moral obligation on the part of the rich to the poor. Viewed as altruism, it is regarded as something given without expecting anything in return. In short, foreign aid is seen

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[4](cont'd) Institute, 1964); and Teresa Hayter, French Aid, (London: Overseas Development Institute, 1967).

[5]The inadequacies of these assumptions in the African context is analyzed in Sara S. Berry, Inequality and Underdevelopment in Africa: A Suggested Approach [Working Papers in African Studies, No. 1.], (Boston: African Studies Center University of Boston, 1976).

as a means by which the developed nations share their wealth with the poor developing countries.

In no part of the Third World is the access to this wealth more desirable than Africa. With the exception of South Africa, it is widely accepted that the continent is riddled with the worst problems of poverty and misery. Irrespective of the political, social or economic indicators adopted, Africa South of the Sahara, Richard Sandbrook concludes, appears the "poorest region of the world's least developed continent ...".[6] Several studies and reports by the United Nations, the World Bank, and many other international institutions attest to this. In 1975 there were no more than twenty-five countries classified as least developed on the continent.[7] Today, in 1986, of the fifty-two independent African states, no less than thirty-six are so categorized.[8]

Other disturbing facts make the situation even more complex. Of the forty-five countries separately categorized by the United Nations as the "most seriously affected", at least twenty-four are African.[9] When "least developed" overlaps or combines with "most seriously affected", the effects could often be catastropic. This is the current

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[6]Richard Sandbrook, "Is there hope for Africa", International Perspectives, (Jan/Feb 1983): 3.
[7]Guy Arnold, Aid in Africa, (London: Kogan Page Ltd., 1979), pp. 17-24.
[8]Daniel W. Caulfield, "The International Community and the Poorest of the Third World", in Anthony Jennings, ed., Our Response to the Poorest of the Third World, (Oxford: Pergamon Press, 1984): pp. 14-19.
[9]See the assessment by the World Food Day Association of Canada, "Africa-Why Hunger", (Ottawa: WFDAC, 1984): 1.

situation in many African countries, for example, Ethiopia. These countries, be they the most seriously affected, the least developed or the developing, all rely on international development assistance. In extreme cases many rely on foreign aid for political and economic survival.[10] It is a reality which no words are strong enough to convey. Timothy Shaw, an expert in the field, suggests that the problems of the continent are so enormous and diverse that they

> cannot be solved by Africans alone, nor can they be solved in the short-term. Unless the long-term issues are engaged by donors and Africans together, Africa will continue its present descent into political, social and economic nightmare.[11]

It is agreed that what Africa needs is a long term solution. This is where the international consensus ends. Only a few developed countries seem to demonstrate the willingness genuinely to assist in finding a possible long term solution.[12]

Canada appears to be one such nation. It is not a "great military power, nor does it aspire to be one".[13] According to the government, Canada's ambition in the Third World is only concerned with assisting in the process of development. That is, to "help the people to achieve social justice and enhance their quality of life".[14] This notion of

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[10]Guy Arnold, op. cit., p. 6.
[11]Cited by Timothy M. Shaw, "Africa after this famine", International Perspectives, (May/June 1985): 7.
[12]Daniel W. Caulfield, "The International Community and the Poorest of the Third World", op. cit., p. 17.
[13]Mitchell Sharpe, "Canadian Foreign Policy and the Third World", Canada, Department of External Affairs, Statements and Speeches, No. 12, (1970): 4., (hereafter refered to simply as Statements and Speeches).
[14]Ibid., p. 10.

social justice as often expressed conveys a benevolent charitable desire on the part of Canada to assist the have-nots of the Third World. With such declarations Canada sets itself apart from many other developed nations. Most of whom tend to see their external political and economic interests as paramount compared to the general welfare of the developing countries. It is on this humanitarian basis that Canadians accept the burden of external aid. Even the majority of the developing countries also tend to hold this "good guy" image of Canada.[15] In general they assume or believe altruism to be the motivating force behind Canada's international development aid.[16] In Africa specifically, such views prevailed as early as 1960.[17] Canadian-African relations have come a long way since then. This belief, however, remains essentially unaltered.[18] Beyond this simplicity, however, lies a complex and controversial subject.

From different perspectives interesting questions have been raised about the nature of Canadian foreign aid. They

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[15]Jacques Hebert and Maurice Strong, The Great Building Bee: Canada a Hope for the Third World, (Ontario: General Publishing Co., Ltd., 1980), especially Part II, chapter 5., see also Canada, House of Commons, Parliamentary Task Force On North-South Relations, Report to the House of Commons on the Relations Between Developed and Developing Countries, (Ottawa: Ministry of Supply and Services, 1980), pp. 17-18.
[16]Peyton V. Lyon et al, "How "official" Ottawa views the Third World", International Perspectives, (Jan/Feb 1979): 11ff.
[17]Douglas G. Anglin, "Towards a Canadian Policy on Africa", International Journal, Vol. 15, (Autumn 1960): 296-297, particulary footnote 4.
[18]CIDA, "The Food Crisis in Arica, Ghana: The Roots of Recovery", (Ottawa: CIDA, 1984): 3.

relate to the objectives and effectiveness of the aid program. What does Canada wish to accomplish by its economic assistance to the developing countries? How much should be given? To which countries should it be allocated? What conditions, if any, should be attached? Over and above these considerations lies the fundamental issue. Why does Canada give aid? Simply put, what are the motives behind Canadian foreign aid? Does Canada give aid because it really wants to help the world's less fortunate, without getting anything in return as the government claims; or does Canada give aid because of political and ideological reasons as many argue; or does Canada give aid for calculations of short term economic gains and long term commercial benefits as others contend?[19]

The answers to these questions are neither simple nor wholly clear. They are issues of acrimonious debate among politicians, scholars and other observers. They are not only controversial, they are by nature complex. The answers, and in many cases the questions, often rest on different assumptions and conflicting theories of foreign aid. This study does not intend to further this controversy nor does it aim to add to the complexity surrounding the issue.

The purpose of this thesis is modest. It is focused not on objectives, the effectiveness of the aid program nor the

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[19]These very questions were raised by Prime Minister Pierre Trudeau in his address at the Convocation Ceremony marking the Diamond Jubilee of the University of Alberta Edmonton, Alberta, May 13, 1968.

evaluation of projects.[20] Primarily, it is an analysis of the motives which influence Canadian foreign aid policy. Specifically, it is argued that the motives which serve to inform Canadian foreign aid policy are essentially 'political with economic considerations as a corollary and humanitarianism as a justification used to retain public support for the program'. To arrive at this proposition, the conventional political, economic, and humanitarian arguments as presented are examined

As the approaches to Canada-Third World relations vary from the traditional pluralist framework and its variants to Marxian perspectives to the statist mode of analysis, this study presents an attempt to test the explanatory capability of these "contending paradigms". While not a definitive study of the foreign aid debate, it is intended that this study can serve to bring some order to bear on the extremes of the "heart-stirring simplifications and head-stirring complications" in the analysis of Canadian foreign aid.[21]

In this process, it is accepted that it is extremely difficult to make a crystal clear distinction between motives and objectives. To a great extent, one may depend on

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[20]For an analytical evaluation see Robert Carty and Virginia Smith, Perpetuating Poverty: The Political Economy of Canadian Foreign Aid, (Toronto: Behind the Headlines, 1981)., A more recent overview is contained in North South Institute, "Special Edition: Aid Evaluation", North-South News, (May 1983).

[21]These terminologies belong to Lester B. Pearson, "Conflicting Perspectives on the Development Problems: An Introduction", International Affairs, Vol. 24, No. 2, (1970): 158.

the other. For the purpose of this thesis, the motives and objectives of Canadian aid are analyzed as separated by the government. The objectives of Canada's external assistance may be numerous. The ones for which Parliament annually approves funds are categorically stated by the government in its 1975-1980 foreign aid doctrine; these being to support the efforts of the Third World countries in "all aspects of their social and economic development".[22] Motives are defined in the same manner. Each Government since bilateral aid was established has repeatedly expressed its judgement on the subject. All government statements on aid policy, as analysis reveals, stress one underlying rationale. Economic assistance to the developing countries is presented as "humanitarian" and "altruistic".

The analysis of motives of Canadian aid in this study relates to the developing world in general. In specific terms, the scope of analysis is reduced to Africa, focussing on the Commonwealth and "la Francophonie". Given the vast expanse of land, culture, political and economic diversity, the characteristics of poverty which makes foreign aid necessary are present. As a result, the extent to which Africa is representative of underdevelopment in the Third World may only be a matter of finite and particularistic details.

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[22]CIDA, Strategy for International Development Cooperation 1975-1980, (Ottawa: Ministry of Supply and Services, 1975), especially p. 23.

The empirical data for this study rely extensively on government sources. Among these are Statements and Speeches, External Affairs bulletin, House of Commons Debates reports, and Task Force Reports. In addition are the Canadian International Development Agency studies, reports, annual and periodical reviews. Others include occasional and policy papers. Their importance and relevance rest on the premise that as government sources they seek to

> project publicly government policy" and make available "authoritative information about Canada's government positions on various international issues concerning Canada.[23]

Providing a theoretical base are works of scholarly perspectives on foreign aid. Due to the diverse nature of these academic approaches, an attempt is made to classify the literature for intelligent discussion and systematic analysis. Following the typology offered by Robert Carty and Virginia Smith, three categories have been identified.[24] Broadly speaking they are: (1) cynics, (2) radicals, and (3) reformers. Thematically, these can be further classified into political, economic, and humanitarian frameworks. Others are political economy and environmental factors perspectives.

Those of political views include Keith Spicer, Stephen G.Triantis, Douglas G. Anglin, and Robert O. Matthews. Also

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[23]Cited in Peter Fleming and T.A. Keenleyside, "The Rhetoric of Canadian Aid", International Perspectives, (Sept/Oct 1983): 18.

[24]Robert Carty and Virginia Smith, Perpetuating Poverty: The Political Economy of Canadian Foreign Aid, op. cit., pp. 5-6.

notable in this category are Arghyrios A. Fatouros and Robert N. Nelson. From an opposing economic perspective are Grant L. Reuber and Peter Wyse. On the other hand, Peyton V. Lyon, Clyde Sanger, and Douglas Roche belong to the humanitarian school of thought. Prominent among those who see the importance of environmental constraints are Kim R. Nossal and Denis Stairs. Those who can be identified with a political economy approach are Cranford Pratt, Linda Freeman, Steven Langdon, Robert Carty and Virginia Smith. Leonard Dudley and Claude Montmarquette stand as policy analysts.

Like the approaches, the definition of foreign aid and how it should be analyzed vary from one analyst or observer to another. While many include the flow of private resources in the forms of capital investment and market transactions as development aid, others are inclined to view arms transfers as economic assistance.[25] According to the Pearson Report, "Nothing could be further from the truth, or more misleading".[26]

However, it is not the aim of this study to get into the arguments about the merits of the various conceptualizations of foreign aid.[27] Foreign aid is analyzed

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[25]One such view is H.J.P. Arnold, Aid for Development: A Political and Economic Study, (Pennsylvania: Dufor Editions, 1966), pp. 7-8.

[26]Lester B. Pearson et al, Partners in Development: Report of the Commission on International Development, (New York: Praeger Publishers, 1969), p. 139.

[27]For a review of various definitions see William P. Donahue, "Canadian foreign aid policy 1965-1974", (Unpublished M.A. thesis, University of Alberta, 1976), chapters 2 & 3.

within the framework offered by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD). As an operational tool for analysis, it designates international economic aid as Official Development Assistance (ODA). Primarily, ODA comprises of grants, loans, and food aid given by the public sector on concessional terms to the developing countries. That is, government to government assistance.[28]

Ideally, grants by this definition are resource transfers for which no interest is charged nor is repayment generally expected. Loans, on the other hand, involve technical calculations. In general terms, for a loan to qualify as aid, the degree of concessionality is usually the criteria. Essentially, it must be given to the developing countries on financial rates of, at least, 25 percent below prevailing market rates.[29] Food aid, on the other hand, consists of basic agricultural products; wheat and flour being the major items in Canada's food aid basket. Except for the relief of emergency situations, "these commodities are bought at market prices".[30]

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[28]DAC, cited in Canada, Canadian International Development Agency, Annual Review, 1983-1984, (Ottawa: Ministry of Supply and Services, 1984), p. 88.
[29]CIDA, Annual Aid Review 1982 [Memorandum of Canada to the Development Assistance Committee of the Organization for Economic Development and Co-operation], (Ottawa: CIDA, Public Affairs Branch, 1984), p. 5., For a technical analysis of the loan-aid criteria, refer to E.K. Hawkins, The Principles of Development Aid, (Harmondworth: Penguin Books, 1970), especially chapters 2 and 6.
[30]OECD, "Canada", in Flow of Resources to Developing Countries, (Paris: OECD, 1973), p. 75.

Canada's Official Development Assistance to the Third World countries relies on three main channels. Depending on the prevailing political and economic situations in the domestic and on the international arenas, commitments to programs vary. From 55 to 70 percent is disbursed bilaterally on governmemt to government basis. That is Canada negotiates directly with the developing country government concerned. Between 25 and 35 percent is allocated to multilateral agencies. Such allocations enable Canada to support the efforts of international organizations like the United Nations. About 6 to 10 percent is usually made available to recipients through contributions to Canadian non-governmental organizations; who very often are directly involved in grass root relief efforts in the Third World.[31] Canadian foreign aid is provided through all three channels.

This study does not deal specifically with multilateral aid nor disbursements through non-governmental organizations. It focuses on bilateral government to government development assistance. Unlike multilateral aid and contributions to non-governmental organizations, Canada has direct and adequate control over its bilateral aid. The government specifies or approves the programs or projects for which its bilateral assistance funds may be used. Current aid policy still requires 80 percent of all bilateral assistance funds be spent on Canadian goods and services. Regulations stipulating such goods and services

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[31]CIDA, Strategy for International Development Cooperation 1975-1980, op. cit., p.35.

have at least two-thirds Canadian contents remain.[32]

Organizationally, analysis proceeds through seven chapters. As a matter of theoretical requisites, the first chapter is set to provide the framework, define the scope and explain the concepts applied in this study. Chapter two examines the justification offered for development aid by politicians, the government and officials in the foreign aid decision making establishment. Chapter three reviews the literature on Canadian foreign aid, focussing on materials of academic nature. It analyzes the economic, political, and humanitarian arguments advanced by scholars as the rationale for Canada's international development assistance. The objective of this chapter is to bring to the fore the strength and weakness of these analyses. It also seeks to uncover trends or commonalities of thought that may relate one expert analysis to another. Chapters four through six attempt to match the theory and practice of Canadian aid. Humanitarianism, economic rationale, and political arguments are examined respectively. Chapter seven concludes by tying together the strands of analysis contained in the preceeding chapters, and offers an alternative explanation for the motives behind Canadian foreign aid. As an appropriate starting point for the analysis of Canada's international development assistance, the next chapter examines government statements on aid policy.

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[32]Joe Clark, Secretary of State for External Afairs, Competitiveness and Security: Directions for Canada's International Relations, (Ottawa: Ministry of Supply and Services, 1985), p. 36.

II. Government Statements on Aid Policy

The purpose of official statements is to "project publicly government policy". In this direction the government makes available what is usually regarded as "authoritative information" stating its views and position on various domestic and internationl issues. Such public statements as put out by the government and its officials "provide a bench-mark against which decisions and ensuing external behaviour can be assessed".[33] This chapter examines the major government statements and speeches on foreign aid. The objective is to present a clear view of what aid policy has been. It intends to bring to the fore what rationale had been and is being used by the government to justify its external assistance. This will shed light on how policy or its justification might have changed over time or with different political administrations. Such an examination will provide an understanding of the past and a basis for present analysis. But before doing so, it is necessary to briefly look at the evolution of Canada's international development aid.

Canada's bilateral assistance to the Third World began with the establishment of the Colombo Plan for Cooperative Economic Development in South and South-East Asia in 1950.[34] Simply called the Colombo Plan, the program focused

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[33]David B. Dewitt and John J. Kirton, Canada as a Principal Power, (Toronto: John Wiley & Sons, 1983), p. 47.
[34]Paul Gerin-Lajoie, Development Administration: CIDA in a Changing Governmetal Organization, (Ottawa: Information Canada, 1972), p.3.

on aid to India, Pakistan, and Ceylon (now Sri Lanka). Originally, the plan was envisaged as a developmental package spanning a six year period.[35] For eight years it remained Canada's only bilateral development assistance program. Today, thirty-five years after the fact, the program is still in existence. With the move from colonial to independent status of nations in the Caribbean and Africa in the late 'fifties and early 'sixties, political attention shifted. Aid followed. In 1958 economic assistance was extended to the Commonwealth Caribbean. Like aid to Asia, it was seen as a short term measure to ease political pressure and maintain stability in the region.[36] Two years later, in 1960, the Special Commonwealth African Assistance Programme (SCAAP) came into formal existence.[37] In the quest for internal unity, economic aid was extended to Francophone Africa in 1961. By 1964, Latin America had joined the list of Canadian aid recipients.

The administration of the aid program also evolved in a manner consistent with the expanding focus. For the first ten years, it was administered by a five-man Technical Cooperation Service operating out of the Department of Commerce and Industry.[38] In 1960 aid administration was

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[35]Lester Pearson, "Canada and the Colombo Plan", Statements and Speeches, No. 6, (1951): 2.
[36]Sidney Smith, "Report on External Relations", Statements and Speeches, No. 14, (1959): 14-15.
[37]Canada, External Affairs, External Aid Office: Annual Review 1966-1967, Ottawa: Queen's Printer, 1967), pp. 6-8.
[38]For a detailed description see Keith Spicer, A Samaritan State? External Aid in Canada's Foreign Policy, (Toronto: University of Toronto Press, 1966), pp. 93-119.

transfered to the Department of External Affairs, where it properly belonged. At External Affairs, the External Aid Office was specifically created to take charge. Due to the exigencies of increasing sophistication in the field of international development, changes were deemed necessary. In 1968, the External Aid Office ceased to be. The Canadian International Development Agency (CIDA) was created in its place. At the end of 1972, CIDA was divided into five areas of specialization; the Communications Branch, Multilateral Programs, Bilateral Programs, Special Programs, and Policy Division.[39]

While CIDA is responsible for the implementation of the aid program, it has less control over policy formulation. The power to determine aid policy is shared with various Ministries and Departments. As a body, it is called the Canadian International Development Board (CIDB). Most prominent among its constituents members are the Department of External Affairs, the Ministry of Industry, Trade and Commerce, the Treasury Board and the Bank of Canada. Others include the Department of Finance, the Export Development Corporation and five Directors from business and industry.[40] Deliberations in the CIDB, chaired by CIDA, take place on a number of levels. On an ad hoc basis, it meets to "consult on major policy decisions to be submitted to the

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[39]North-South Institute, Canadian Aid and the Environment, (Ottawa: North-South Institute/Institute for Peace and Environment, Dalhousie University, 1981), pp. 45-58.
[40]Harley Dickinson, "Canadian Foreign Aid", in John A. Fry, ed., Economy, Class and Social Reality, (Toronto: Butterworths & Co., 1979), pp. 97-149.

Cabinet". A committee of the Board sits on a more regular interval to "discuss aid policy issues and to ensure that CIDA programmes reflect overall Canadian foreign aid and economic policy objectives".[41] CIDA is also represented on the Interdepartmental Committee on External Relations. Chaired by the Department of External Affairs, CIDA participates to coordinate aid matters for integration with foreign policy.[42]

Within the context of such integration, external aid was especially designated to fight communism in Asia in 1950. The communist threat, in Lester Pearson's evaluation, was such that:

> if the tide of totalitarian expansion should flow over "South and South-East Asia", not only will the new nations lose the national independence which they have secured so recently, but the forces of the Free World will have been driven off all but a relatively small bit of the great Eurasian land mass. In such circumstances it would not be easy to contemplate with equanimity the future of the rest of the world.[43]

Canada was resolved that no price would be too high to pay to keep Asia in the Western camp. The Leader of Opposition, John Diefenbaker had no qualms in supporting the government's anti-communist policy. As he told Canadians, "50 million dollars a year would be cheap insurance for Canada... to halt communism in Asia".[44]

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[41] OECD, "Canada", in Flow of Resources to Developing Countries, (Paris: OECD, 1973), p. 70.
[42] Ibid.
[43] Cited in Keith Spicer, op. cit., p. 23.
[44] Ibid.

The threat of united Canadians and provided a basis for the government's anti-communist crusade. Irrespective of political views or differences, the policy policy of containment was endorsed by all Canadians and political parties. Fighting communism in Asia or any part of the world was seen as a national task which called for patriotism. Donald Fleming, a notable figure in the foreign aid establishment acknowledged this in 1956. The necessity to contain Soviet expansionism in Asia, he argued, had made development assistance a major weapon in the Cold War. Another aid official presented the issue in no less different terms. Put bluntly, foreign aid was indispensible in the war to "Keep Asians in the free world".[45] It must be maintained and augumented if the situation so required. Depending on the audience, discretion was, however, exercised not to present Canadian aid in its pure anti-communist design.

Speaking at the United Nations in 1957, Ellen Fairclough, the Minister of Citizenship and Immigration, told her audience that Canadian aid was motivated by several considerations.She listed them as humanitarian, economic, and political. In her speech, Canada cared a great deal for the welfare of poor people. As such, Canada could not but give aid to the developing countries. In the final analysis, however, philanthropy bore down to politics. Economic assistance, she added, was a means by which Canada protected

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[45]Ibid.

its interest in the international political status quo. It not only sought to maintain global peace, but it was also a long term investment in Canada's security.[46] Sidney Smith, Diefenbaker's Secretary of State for External Affairs, strongly agreed. Canadian aid, in his rationale, could be best described as "helping hands" for the developing countries. If the peoples of the Third World were to be made averse to communism, they must first be fed. It was in the midst of wealth and plenty that communism would lose its appeal of material heaven.

As most Parliamentarians argued, economic assistance was the most effective weapon against Soviet expansionism.[47] J.M. Macdonell, a fervent aid advocate, summarized the views of Parliament. The peoples of the Third World, he reasoned, could be equated with destitute folks down the street. It was only moral that their neighbors made sure that such folks did not go to bed hungry. Canadian aid, he maintained, was the international equivalent of this gesture. It was a strategy of taking care of Canada's political interests. In the war of blocs, it was "vital to Canada that the underdeveloped countries shall develop economically under free institutions and not under communist institutions".[48] Like Smith, Macdonell believed that political appeal would only find reception in the absence of hunger and material want. These were the circumstances

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[46]Ibid., p. 4.
[47]Ibid., p. 23.
[48]Ibid., p. 4.

which, he argued, would give Canadian capital the opportunity to expand and create good customers in the developing countries.[49]

Addressing his hosts at a dinner in his honor in Sri Lanka in 1959, Diefenbaker assured the people that Canadian motives for assisting their country was philanthropy pure and simple. Canadian "attitude" to aid, he declared, was "one wherein we ask nothing; wherein we request nothing; wherein we attach no type of strings, politically or economically or otherwise".[50] From their generosity, he reaffirmed at at another banquet, this time in Malaya, Canadians had always regarded themselves as their "brothers keepers". Their first responsibility had always been "to assure... that men everywhere may have something of the better things of life". Back home in Canada, Diefenbaker reminded Canadians how lucky they were. With such luck they must not forget their "obligations to the broad community of man..." He concluded:

> While we have our duty to ourselves and our special relationship to our families and our neighbours, more and more, we, as Canadians and as citizens of the world, must seek to share the problems of every continent.[51]

With regards to Asia, all government statements and speeches potrayed anti-communism as the major factor in giving economic aid to the developing countries. From Diefenbaker's "cheap insurance" speech to Pearson's

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[49]Ibid., p. 23.
[50]John Diefenbaker, "Canada and Ceylon", Statements and Speeches, No.12, (1959): 1-2.
[51]Quoted in Keith Spicer, op. cit., pp. 9-10.

"gratitude", foreign aid was evidently a major weapon in the Cold War. The speeches by aides, decision makers and Parliamentarians were similarly anti-communist. However, for public support, foreign aid was often rendered in humanitarianism. Be it in Vancouver or Colombo, Diefenbaker often told the public that only philanthropy and altruism would cause Canada to give aid. But if humanitarianism was of any determinant, political motives were predominant.

It was not, however, limited to Asia. By the late 'fifties, the threat of communism had moved to Commonwealth Africa. Foreign aid followed. Compared to Asia, allocation was initially modest. But as Table 1 shows, it quickly grew in response to political considerations.

Table 1 The growth of aid to Commonwealth Africa
(Cdn $million)

Year	Amount	Year	Amount
61-64	11.50	75/76	89.83
64/65	7.41	76/77	67.39
65/66	9.50	77/78	92.18
66/67	16.00	78/79	101.52
67/68	17.01	79/80	103.69
68/69	15.30	80/81	89.22
69/70	15.49	81/82	123.87
70/71	21.65	82/83	127.03
71/72	38.23	83/84	104.01
72/73	50.32	84/85	141.79
73/74	61.43	85/86	(157.00)
74/75	85.50	86/87	?
Total			3136.10

Note( ): The 1985/86 figure is proposed allocation and not entered for calculations.
Sources: CIDA, Annual Review, 1966-1986.

As in Asia, aid was blantantly anti-communist. Diefenbaker's

Secretary of State for External Affairs at the time, Howard Green, told Parliament:

> Africa is the most important continent in the world from the point of view of political development and potential changes. This is certainly a continent to watch and a continent to which all possible assistance should be given.[52]

As Green rationalized it, in terms of both political and social change, Africa was at a most vulnerable state where foreign aid could influence the course of future development on the continent.[53]

The major concern towards these emerging nations was even more evident in Diefenbaker's view of the situation. As he argued before Parliament:

> unless measures are taken in this crucial formative period in the history of those new African nations there may well develop doubt as to the goodwill of the developed countries of the West, and they may be tempted to look for sympathy and assistance in other countries.[54]

It was calculated that economic assistance would provide the West with the most appropriate strategy for retaining the loyalty of these new African nations as well as keeping them in the Western bloc. If the West did not aid these countries, the only alternative, the argument precluded, was the East. It was therefore absolutely necessary that before these newly independent states came in contact with communism, Canada should use its Commonwealth connections to

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[52]Canada, External Affairs, External Affairs, (May 1960): 634.
[53]Richard A. Preston, Canada in World Affairs 1959 to 1961, (Toronto: Oxford University Press, 1965), pp. 231-232.
[54]John Diefenbaker, "The Expanding Commonwealth", Statements and Speeches, No. 19, (1960): 7.

embrace them. Given the nature of the Cold War, support for the program was unquestionable. On any anti-communist policy or decision the public was behind the government. Parliament had no cause to oppose it. According to aid advocate and Member of Parliament, Erhart Reiger, "no MP had ever opposed international assistance programs, they have all gone through the House with unanimous support".[55]

However, by the early 'sixties, the need to justify foreign aid in terms other than blatant anti-communism and rhetorical humanitarianism was recognized. In a state of relaxing tensions between East and West, communism had ceased to be a direct threat. It was this threat that had cemented the "basic consensus amongst the majority of Canadians that a harmony of interests and values existed between Canada and its major allies, as they face a common adversary".[56] Consequently, Canadians returned their attention to mundane issues of domestic economic, social, and political well-being.[57] The problems were numerous. "An overheated economy, regional differences and disparities, the reverbrations of the quite revolution in Quebec, all added to the stress and strain on Canada's national fibre".[58] On the other hand, the government's role in

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[55]Cited in Richard A. Preston, op. cit., p.234.
[56]Michael Tucker, Canadian Foreign Policy: Contemporary Issues and Themes, (Toronto: McGraw-Hill Ryerson Ltd., 1980), p. 9.
[57]For an insight into the public mood in this period see Benjamin Schlesinger, Poverty in Canada and the United States: An Overview and Annotated Bibliography, reprint, (Toronto: University of Toronto Press, 1968), pp. 27-72.
[58]Canada, External Affairs, Foreign Policy for Canadians, (Ottawa: Information Canada, 1970), p. 7.

international development assistance seemed to be growing. Foreign aid allocation, as discussed below, was seen to be increasing. This led many Canadians to start asking if their nation's "charity" should not rightly begin at home before spreading abroad.[59]

Under the circumstances, self-interested materialism, particularly tied aid, became one of the major arguments advanced to justify Canada's economic assistance. To drive the point home, Diefenbaker made it a central argument that "Canadians had much to gain from aid". He also reminded those "who questioned the value of expenditure on external aid not overlook the commercial dividends inherent in the creation of expanding markets".[60] Macdonell, added that Canada's development assistance was not "represented by barrels of dollars shipped abroad, but by Canadian goods and services".[61] Although Canada was supposed to be aiding the Third World countries, Macdonell was rest assured that Canada could be helping itsef at the same time. In his opinion, it was a mutually beneficial relation. It enabled the poor African nations to purchase the machinery and equipment so vital to their process of development "without the funds ever leaving Canada".[62] Like Diefenbaker,

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[59]Paul Martin, Paul Martin Speaks for Canada: A Selection of Speeches on Foreign Policy 1964-1967, (Toronto: McClelland & Stewart Ltd., 1967), p. 130.
[60]John Diefenbaker, "The Meaning of the Commonwealth", Statements and Speeches, No. 8, (1962): 2.
[61]Cited in Keith Spicer, op. cit., p. 43.
[62]A. Raynauld et al, Government Assistance to Export Financing [A Study Prepared for the Economic Council of Canada], (Ottawa: Ministry of Supply and Services, 1983), p. 4.

Macdonell saw nothing wrong with calling on Canadian aid recipients to help Canada as well as themselves. After all, that was the purpose of tied aid. Like anti-communism, tied aid and its attendant benefits were not issues of contention in aid policy.

When the Liberals came to power in March 1963 foreign aid practice was simply a continuation of Coservatives' policy. Style and emphasis might have differed. Contents remained intact. To Lester Pearson like John Diefenbaker, foreign aid was the most important tool in the war against communism. Similarly, the same economic and humanitarian rationales were evoked to placate interest groups' demands or criticisms. P.M. Howe, Pearson's Deputy General in the External Aid Office reinforced the arguments. Telling Canadians about the importance of their aid in fighting communism, he stated: "through our aid programs we can show the less developed countries that our way of life, with its freedom of the individual, is a better way of life than that achieavable through totalitarian rule".[63]

To realize this objective, Paul Martin, Secretary of State for External Affairs, urged Canadians not to relent their efforts to keep Africa in the Western camp. He warned that if they failed to "help the governments of these countries meet their development objectives, the Soviet Union would step in to exploit the situation".[64] Emphasizing

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[63]Quoted in Charlotte S.M. Girard, Canda in World Affairs 1963 t0 1965, (Toronto: CIIA, 1979), p. 3.
[64]Paul Martin, "The Challenge of Underdevelopment", Statements and Speeches, No.23, (1964): 2.

political motives as of fundamental consideration in aid policy, Martin advised Canadians not to forget the economic benefits either. As the Minister responsible for external affairs, Martin stressed the fact that politics and economics were more closely related than ever before. He described it thus:

> In a world where the great issues of peace and war are coming to have increasingly significant economic aspects, a world in which the importance of international trade to the domestic economy ... is of increasing importance, foreign economic policy becomes an element in Canada's overall foreign policy.[65]

As Martin later explained, politically, foreign aid evolved as a response to external circumstances which continued to play a decisive role in its allocation. Economically, commercial benefits were inherent in the allocation of aid. It was only proper that Canada enjoyed such benefits. As Diefenbaker earlier argued, Martin believed that Canadians as their brother's keepers supported foreign aid out of humanitarian concerns for the poor.[66] Seen in its totality, Martin contended that aid to the developing countries was comparable to the "welfare system" in Canada. As a mechanism for the redistribution of wealth, it enabled those who lacked the capacity to compete in the market place access to an adequate means of survival. The morality of the issue was seen by Martin as better explained by Barbara Ward. He quoted her as saying:

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[65]Paul Martin, "An Address to the Annual Meeting of the CIIA", Statements and Speeches, No. 14, (1963): 2.
[66]Paul Martin, Paul Martin Speaks for Canada:, op cit., p. 130.

> one of the most vivid proofs that there is a moral governance in the universe is the fact that when men or governments work intelligently and far-sightedly for the good of others, they achieve their own prosperity too.[67]

This prosperity, in Martin's view, seemed enormous. The funds allocated to external assistance were tied to Canadian goods and services. Directly they served to contribute to the level of production, exports and employment. Foreign aid contracts gave Canadian producers the opportunity to expand to markets in developing countries. Engineers and educators, on the other hand, gained valuable experience serving in the Third World. The presence of these Canadians ensured that the image of Canada was well projected abroad. Most importantly, tied aid "helped to enlist and maintain public support for an expanding foreign aid program".[68] In this direction, no government relaxed its efforts in the attempt to garner support for the aid program.[69]

During the federal election campaign in 1968, the new Liberal leader, Pierre Elliot Trudeau, stated that he would address the situation. If elected, he promised to reexamine all aspects of Canada's well-being, especially the conduct of external affairs.[70] When Trudeau formed the government in April 1968, he delivered on his campaign promise. Arguing the necessity for the review, Trudeau stated:

> We Canadians found a lot to be proud of in 1967 and

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[67]Cited by Paul Martin, Ibid., pp. 133-144.
[68]Paul Martin, Ibid., p. 135.
[69]David B. Dewitt and John J. Kirton, op. cit., p. 68.
[70]Peyton V. Lyon, "The Trudeau Doctrine", International Journal, Vol. 26, (Winter 1970-71): 19.

> also some things to question. Above all we became keenly aware in our centennial year that significant changes ... have taken place in the world around us and within the body politic of our nation. We found ourselves questioning long standing institutions and values, attitudes and activities, methods and precedents which have shaped our international outlook for many years. We found ourselves wondering whether in the world of to-morrow Canada can afford to cling to the concepts and role casting which served us in our international endeavours of three decades and more.[71]

In essence, priorities were to be reordered in consonant with domestic demands and in tune with international political and economic exigencies.

In the field of international development assistance old assumptions had to be revalidated or discarded. As Kim R. Nossal observed, "Policies that were designed for the tense years of tight bipolarity ... were no longer appropriate in an era of relaxed tensions and growing multipolarity".[72] The management of international development assistance administration was becoming an art. As Mitchell Sharp, Trudeau's Secretary of State for External Affairs, discovered, keeping up in the field now required

> skills and techniques that were practically unknown ten years ago. Aid administration has become a profession, involving a knowledge of all practical economic, and social conditions that govern the efficient and effective transfer of resources from the industrialized countries to the developing nations.[73]

Ideally, this meant that Canada, in cooperation with other

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[71]Cited in Peter Dobell, Canada's Search for New Roles: Foreign Policy in the Trudeau Era, (Toronto: Oxford University Press, 1972), p. 132.
[72]Kim R. Nossal, The Politics of Canadian Foreign Policy, (Ontario: Prentice-Hall Canada Inc., 1985), p. 95.
[73]External Affairs, External Affairs, (November 1968): 469.

donor nations, must work towards meeting the objectives of the United Nations' "fairer resource transfers". Aid programs should be increasingly designed to compliment and support the efforts and local initiatives of the developing countries.

To work towards achieving these objectives, far reaching arrangements in sectors such as energy, investment, trade, science and technology transfer were needed. In other words, as Sharp concluded:

> the activities in which Canada is involved in the name of civilization are no longer aid, with its connotations of "handout" and "hand-up", but international development in the truest sense of partnership.[74]

However, the External Aid Office lacked the sophistication that aid administration now required. It lacked the manpower, skills and resources. Moreover, with its connotation of a relief agency, it was obsolete. What was needed was a new organization capable of reflecting the new Canadian understanding of international development. The Canadian International Development Agency (CIDA) was created in 1968 to embody these ideas and practices.[75]

For another two years, the government concentrated its efforts on the foreign policy review.[76] In a series of six

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[74]Ibid.
[75]See Pierre Trudeau, "Canada and the World, 1968" [Statement by the Prime Minister], in Arthur E. Blanchette, ed., Canadian Foreign Policy 1966-1976: Selected Speeches and Documents, (Toronto: Gage Publishing/Institute of Canadian Studies, Carleton University, 1980), p. 341.
[76]Bruce Thordarson, Trudeau and Foreign Policy: A Study in Decision-Making, (Toronto: Oxford University Press, 1972), pp. 105-120.

booklets, the Foreign Policy for Canadians was proclaimed in 1970.[77] Of the booklets, "International Development" focused on the issue of foreign aid and Canada's relations with the developing countries. Among other subjects, it examined the "motivation and purpose of Canada's development assistance, the volume and terms of aid". It considered the

> relationship between multilateral and bilateral programs, as well as the ... relationship of development assistance to other forms of international economic transactions.[78]

The Review acknowledged that "part of the motivation for the transfer of resources" to the developing countries derived from the "desire to strenghthen the Western alliance"[79] Primarily, the statement reinforced government declarations that political considerations had formed the basis for Canada's international development aid. Other benefits were also presented as motives for giving aid.

On the economic spectrum, the Review contended that Canada has much at stake in the international community. To a much greater extent than other developed nations, "Canada depends for her prosperity ... on international trade and a healthy world economy".[80] The paper declared that Canada was not only interested in long term benefits from aid, but short term gains as well. In very significant terms, Canada considered economic aid as the most "important and integral part of the general conduct of Canada's external relations,

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[77]Canada, External Affairs, Foreign Policy for Canadians, (Ottawa: Information Canada, 1970).
[78]"International Development", p. 5.
[79]Ibid., p. 8.
[80]Ibid, p. 9.

particularly with the developing countries".[81] The fund allocated for this purpose, the government assured, provided business and industry with an "initial source of financing for export of Canadian goods and services to the less-developed countries"

Perhaps one of the most revealing sections about the real motives behind aid in the Review, was where the government actually suggested that aiding the developing countries might not be as altruistic as the argument often presented. It indicated that Canada was only engaged in what other Western nations were doing, but with national distinction where appropriate. The Review stated that as long as Canada wanted to identify with the group of have nations, it must be prepared to pay its "fair share of the responsibility of membership" in this community. It was only by so doing that Canada could be expected to find the same sympathy for its interests and global objectives.[82] In brief, as most critics contended, the emphasis was on Canadian national interests.[83] Up to 1975, decision makers confined their explanations of motives and objectives of aid to the precepts of the Review.

Most of the arguments advanced were contained in a presentation made by Paul Gerin-Lajoie, president of CIDA in 1971.[84] In his contention anti-communism was no longer a

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[81]Ibid., p. 10.
[82]Ibid.
[83]See CCIC, Canadian Foreign Policy Review, Reactions from the Private Sector, (Toronto: CCIC, 1970).
[84]Paul Gerin-Lajoie, Development Administration: CIDA in a Changing Government Organization, (Ottawa: Information

significant factor in the allocation of Canadian aid. Instead, there have appeared a mixture of motivations. More diverse political considerations had to contend with philanthropic concerns and economic assessments, with each serving a useful function. On the political spectrum, international development aid provided Canada with an avenue to attempt to win friends and influence the policy behaviour of the Third World nations. Economic assistance, Gerin-Lajoie contended, was an essential tool in Canada's relations with the developing countries. In its absence these poor nations might be tempted to look for friends in the Soviet bloc. As Gerin-Lajoie reasoned, for whatever reasons aid was provided, philanthropy should not be forgotten.

He was, however, concerned more with economic benefits of the program. He dwelt on it at length. Foreign aid, he argued, provided "some short-term advantages for the Canadian export firm". In the "long run, the prosperity of Canada as a trading nation will depend in part upon the strengthen power of these developing countries trade with Canada".[85] Despite attempts to downplay the political motivations of foreign aid it was clear that they were ever present. Aid, as he noted, had always been considered the most visible weapon of countering Soviet expansionism. At no time had it been provided for that purpose without expecting sympathy for the Western cause from the developing nations.

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[84](cont'd) Canada, 1972).
[85]Ibid., pp. 3-4.

Once again, like other decision makers, speeches were directed more at eliciting support for the program than at enunciating the substance of policy.

Prime Minister Pierre Trudeau used this emotionalism to the best of advantage. More than any other Prime Minister, his rhetoric was polished. "Philosophical and global" in style, he never failed to captivate.[86] In Trudeau's declarations, Canada'a relations with the developing countries were basically humanitarian. Otherwise, Canada would not be the caring nation it was reputed to be.[87] Allan J. MacEachen, on two occasions Trudeau's Secretary of State for External Affairs, elaborated on the issue. In a Speech to the Fifth Annual Conference of Canadian Association of African Studies in Toronto in the early part of 1975, MacEachen made philanthropy his theme. Quoting Lester Pearson in Partners in Development, MacEachen stated that the "simplest answer to the question (Why does Canada give aid to Africa?) is the moral one: that it is only right for those who have to share with those who have not".[88] Relating this to international peace and security, he concluded:

> The thing to remember is that the process of development, global in scope and international in nature, must succeed if there is finally to be peace, security and stability in the world. If the developed nations wish to preserve their own

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[86]For Trudeau's style of policy statements see David Cox, "Trudeau's Foreign Policy Speeches", International Perspectives, (Nov/Dec 1982): 7-9.
[87]Peyton V. Lyon and Brian W. Tomlin, Canada as an International Actor, (Toronto: The Macmillan Co., Ltd., 1979), p. 140.
[88]Allan J. MacEachen, "Canada and Africa", Statements and Speeches, No., 2, (1975): 2.

> position in that world, they must play their full parts in creating a world within which all nations, and all men, can live in freedom, dignity and decency.[89]

In the past action had not necessarily followed such speeches or declarations. The "pressure of changing needs and expections", however, seemed to be forcing the government to make efforts to reduce the gap between its declarations and actions.[90] In September 1975, the government proclaimed its international development assistance doctrine.[91] In it attempts were made to outline concrete ways to address the problems of the developing countries, particularly the "most seriously affected". It defined basic principles and approaches upon which to build detailed aid policies. In this direction, the Strategy set forth a list of twenty-one priorities on which future Canadian aid relations with the developing countries were to be conducted. The list covered a whole range of issues ranging from grants to support for multilateral aid institutions.

One section of the Strategy focused on motives and objectives of development assistance in Canada's foreign policy. In particular, one priority emphasized the glorified, but often neglected humanitarian aspect of aid. It commited the government to a more equitable distribution of the benefits of development within the recipient

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[89]Ibid.
[90]Allan J. MacEachen, "Strategy for International Development", Statements and Speeches, No: 27, (1975): 1.
[91]CIDA, Strategy for International Development Cooperation 1975-1980, (Ottawa: Ministry of Supply and Services, 1975).

countries. It also promised to allocate more resources to the improvement of the living and working conditions of the disadvantaged population of the least developed countries. Another suggestion went even further. It intended to focus on the most crucial aspects of development that would directly alleviate the suffering of the masses. This included intensifing and concentrating on food production and distribution, rural development, education, public health and demography. Shelter and rural electrification were also areas to receive increased attention.

There was also an attempted to resolve the often contentious issue of who gets Canadian assistance. It reaffirmed the views expressed in the 1970 Foreign Policy Review that the bulk of foreign aid allocation would continue to be directed to the "least developed countries". Within this group, the "most seriously affected by the global crisis conditions" would be given emphasis. Although point six suggested that the government would pursue these objectives only when they were "compatible with the broad goals of Canada's foreign policy",[92] the Strategy seemed committed to humanitarianism. Philanthropy was emphasized as a motive that mattered in Canada's aid policy. Statements and speeches supporting this theme were not lacking. Unlike the 1970 Review, the Strategy was hailed. According to Cranford Pratt, it represented the "high-point of humanely-motivated Canadian aid policies" or

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[92]Ibid., pp. 23-24.

declarations.[93]

Whatever the government of Joe Clark, May 1979 to February 1980, might have stood for, it was too short-lived for any clear aid policy to take hold. However, it showed an attempt to project foreign aid in its true political motivations. In a Speech to the Empire Club of Toronto, Flora MacDonald, the Secretary of State for External Affairs, told her audience that Canadian aid should not be viewed as a neutral disinterested instrument of foreign policy. According to her, was "it really the right thing to do, to divorce aid policy entirely from the rest of Canada's relations, both political and economic, with the country concerned".[94] MacDonald was of the opinion that aid was both politically and economically involved. From her point of view, it was a sound policy to shift an increasing portion of economic assistance to the middle income developing countries whose markets offered greater potential for Canadian exports. But she was not in office long enough to practice her philosophy.

Unlike Joe Clark, circumstances forced the present Conservative government of Brian Mulroney to act. Barely three months in office, Prime Minister Mulroney was faced with the calamity in Ethiopia. The horror of mass starvation moved the the public and compelled the government. Largely

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[93]Cranford Pratt, "Canadian Policy towards the Third World: Basis for Explanation", Studies In Political Economy, No. 13, (Spring 1984): 45-46.
[94]Canada, House of Commons, House of Commons Debates, 31st Parliament, 1st Session, (October 12, 1979): 140.

dictated by public generosity, the government's response was humanitarian.[95] But at one point during the crisis, the fear was entertained whether the government would live up to its promise of matching public donations. The government, however, came through.[96] On a broad policy basis, however, no clear approach is yet defined. Like previous governments, humanitarian, economic, and political motivations are presented as rationale for aid.[97]

In this mixte, Margaret Catley-Carlson, the current president of CIDA reiteriated that "public support for the aid program would be threatened if aid expenditures were not largely tied to the purchase of Canadian goods and services".[98] The government's efforts to review Canadian foreign policy say little or nothing about its aid relations with the developing countries. Presented as Competitiveness and Security, the "green paper" only makes a vague reference to Canada as a "partner to poor nations". From a humanitarian observation, morality is found compromised to economic considerations by the "papers".[99] Although the

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[95]See Canada, The African Famine and Canada's Response [A Report by the Hon. David MacDonald, Canadian Emergency Coordinator for African Famine], (Ottawa: Government of Canada, 1985).
[96]"African Famine Relief", International Canada, (Feb/March 1985): 13.
[97]Monique Vezina, Minister of State for External Relations, "Towards Stronger Ties with Africa", Statements and Speeches, No. 8, (1984): 2-4.
[98]Cited in North-South Institute, "Issues and Priorities for Canadian Aid", Into 1984: In Search of Security (Ottawa: North-South Institute, 1984), p. 10.
[99]See Bernard Daly, Canadian Conference of Catholic Bishops, in CIIA, Canadian Foreign Policy: Comments on the Green Papers, (Toronto: CIIA, July 1985), pp. 11-13., Refer also to Cranford Pratt, Ibid., pp. 42-45.

government has promised to "maintain a large and growing aid program..., planned Official Development Assistance will be reduced by $1.5 billion over the next five years".[100]

This chapter has examined government statements and speeches on aid policy. It looked into the various explanations given by policy makers, aid officials and those responsible for foreign aid policy. While in reality political motivations appear dominant in aid policy, as argued in subsequent chapters, philanthropy and economic rationales are convenient arguments in the government's appeal for public and private sector support for the program. In a study of humanitarian influence in aid policy during the Trudeau years, for example, Peter Fleming and T.A. Keenleyside suggested that

> on the topic of motivations for providing development assistance, ... the largest number (twenty-four, or 43 percent of fifty-six references) dealt with what can broadly be characterized as the humanitarian motive, that is, an altruistic concern to alleviate conditions of poverty in the Third World.[101]

In this respect, external assistance is like any aspect of Canadian politics. There is always something in it for everyone. Tied aid is presented to those unemployed as a government program of job creation. In turn the resulting contracts are equated with export and trade promotion for

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[100]Canada, Dept of Finance, Securing Economic Renewal: Budget Papers, [Tabled in the House of Commons by the Hon. Michael Wilson Minister of Finance, February 26, 1986], p. 10.

[101]Peter Fleming and T.A. Keenleyside, "The Rhetoric of Canadian Aid", International Perspectives, (Sept/Oct 1983): 21.

business and industry. The public, ignorant of the politics and economics of foreign aid, accepts it as a Christian problem. Those who understand the politics of foreign aid remain contented in applying political criteria. No government from Louis St. Laurent to Brian Mulroney has yet failed to avail itself of presenting aid to suit any and all interests.

This period, St. Laurent to Mulroney, in the analysis of Canadian foreign aid can be usefully divided into three interrelated phases. The first began in Asia in 1950. It extended to the Caribbean and Africa in the late 'fifties and early 'sixties. The intention was to create a Marshall Plan for the Third World. As a Cold War instrument, it was devised as a strategy for Communist containment. Its first priority was keeping the emerging nations of the developing world in the Western camp. Redistribution of wealth was secondary. Government policy towards this end had unquestioned support.

What could be regarded as a second phase emerged with the perceived relaxing East-West tensions in the 'sixties. As the threat from without became less imminent, Canadians appropriately shifted their attention to more mundane issues. Economic and social problems became the focus. The less better-off Canadians thought they were, they more they questioned government policies, internal and external. With a less cohesive centre, "a foreign policy that divided Canadians the least" became inadequate for a consensus. What

was now needed was "a foreign policy that united Canadians the most".[102] Quebec and Francophone demands had to be balanced with the interests and aspirations of Anglophone Canada. In 1970, the doctrine of the national interest was proclaimed. This declaration appeared once more to have created a new basis for identity.

However, it opened up new areas of neglect. In Canada's relations with the developing countries, the doctrine was seen as "self-interested materialism".[103] According to Michael Tucker, the Trudeau government "never meant to imply that it was about to embark on programs and policies of narrow national self-interest, to the exclusion of international commitments".[104] However, this appeared the basis upon which it was received and criticized. Scholars, church groups, voluntary associations, non-governmental organizations, labor unions, and various others outside the government establishment reacted to it from such a perspective.[105]

Combined with the effects of the prevailing international order, these criticisms perhaps stirred the government to attempt to make some reparations. The Strategy

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[102]This was applied by Escot Reid in a different context but equally applicable here. See his "Canada and the Struggle against World Poverty", International Journal, Vol. 25, (Winter 1969-70): 155.

[103]Robert O. Matthews, "The Churches and Foreign Policy", International Perspectives, (Jan/Feb 1983): 18.

[104]Michael Tucker, Canadian Foreign Policy: Contemporary Issues and Themes, (Toronto: McGraw-Hill Ryerson Ltd., p. 14.

[105]CCIC, Canadian Foreign Policy Review, Reactions from the Private Sector, op. cit.

for international development cooperation resulted in 1975. Acceptable as a third phase, Cranford Pratt earlier referred to it as the "high-point of humanely motivated Canadian foreign aid policies". Without any doubt, this opinion was entertained by many. The government for once was specific. It made promises. It committed itself to various humanitarian objectives. Basing action on these declarations was, however, another matter entirely. Before analyzing the theory and practice of Canadian aid, the next chapter examines academic views on foreign aid policy.

III. Scholarly Views on Foreign Aid

Very few analysts would disagree that foreign aid is an important aspect of Canada's relations with the developing countries. More often the disagreement lies in the motives for the relationship. Many contend they are political. Others see them as economic. Still others believe they are humanitarian. This chapter examines the various scholarly arguments and explanations about the motives behind Canada's external aid. The objective is to open a critical insight into their strengths and weaknesses. The review also seeks to uncover trends or commonalities of thought that may relate one expert analysis to another.

As stated at the outset, it was necessary to classify the literature on Canadian foreign aid for a systematic and consistent analysis.[106] For the want of a better terminology, they were accepted as cynics, radicals, and refomers. It is worth noting that these categories are not mutually exclusive nor jointly exhaustive. However, the first group largely comprise of those Robert Carty identified as holding "right-wing opinion".[107] Mostly journalists, they are strongly against Canadian aid to the Third World. According to this section of opinion makers, assistance of any type to the developing countries is a waste of Canadian taxpayers money. In their view, aid to the

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[106]See chapter 1.
[107]Robert Carty, "Giving for Gain: Foreign Aid and CIDA", in Robert Clarke and Richard Swift, eds., Ties that Bind: Canada and the Third World, (Toronto: Behind the Headlines, 1982), pp. 150-151.

Third World nations should be eliminated. Or at best drastically reduced. Representative of this category are journalists like Paul Fromm, Peter Worthington and so-called aid reform advocate, James P. Hull. With a racial tint to his pen, Worthington writes that "Canadian aid is not fit for races or nationalities" who in his view, "have no inclination and talent for business, enterprise and hard work".[108]

In the same vein, albeit from an ideological perspective, Fromm and Hull argue that Canadian aid to the developing countries are resources "sent down the drain". They claim that it only goes to support "dictatorships that trample human rights, Marxist states that imprison Canadians without trial". Worst of all, they claim, Canadian aid also goes to support "India that builds a nuclear bomb while its people go hungry".[109] In their view, all the Canadian International Development Agency (CIDA) does is pour taxpayers money "into a disturbing number of countries (from Cuba to Tanzania, Jamaica to Zambia) that have adopted the socialist economic model". This model, they argue, is what has "directly contributed to ensure that these nations are permanently underdeveloped".[110] From a scholarly point of view, this category of opinions and assessments of Canadian aid are naive. Its relationship to the process of

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[108]Cited in Ibid., p. 151.
[109]Paul Fromm and James P. Hull, Down the Drain?: A Critical Re-examination of Canadian Foreign Aid, (Toronto: Griffin House, 1981), back cover page.
[110]Ibid., p. 33.

development is highly uninformed. At best they represent pieces of sensational journalism. For the purpose of this study, it suffices to mention that such extreme ideological and racial views constitute part of the debate.

On the other end of the spectrum are those of radical perspectives. Theirs is also an argument common to analysts of this genre. It states that foreign aid is more or less another form of imperialism. Development assistance in its present form, they contend, constitutes part of the problem and not the solution to poverty and underdevelopment in the Third World.[111] As insightful as this radical approach appears, it has its limitations. It reduces the very complex problem of donor-recipient relationship to a simple colonizer-colonized dichotomy. It is beyond the scope of this study to discuss the complexity inherent in such a simplistic approach.

Besides these two extremes of "heart-stirring simplifications" and "head-stirring complications", is a third category. Included in this group are aid specialists, academics, bureaucrats and "liberal minded politicians". Others are religious groups, voluntary agencies and non-governmental organizations.[112] Heterogenous in nature, they approach the subject of Canadian foreign aid from

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[111]Dependecy theorists fall into this category. For a discussion of the various strands of the theory, see Ronald H. Chilcote, Theories of Comparative Politics: The Search for A Paradigm, (Colorado: Westview Press, 1981), especially chapter 7.

[112]Robert Carty and Virginia Smith, Perpetuating Poverty: The Political Economy of Canadian Foreign Aid, (Toronto: Behind the Headlines, 1981), p. 7.

diverse but realistic perspectives. This diversity in turn gives rise to differing criteria. And often the result is conflicting political, economic and moral conclusions as to the motives of aid.

Among those of political persuasion is Keith Spicer.[113] Canadian foreign aid, as he points out, spreads across the Third World, from Africa to Latin America. In no one instance, Spicer contends, would humanitarianism or economic rationale stand out as the motive for giving such assistance. Humanitarianism, he argues, is essentially a virtue of the human heart. It only resides in individuals. It is a human condition to which governments and bureaucracies could not lay claim. Governments, he reminds us, are elected to serve the interest of the nation. It can only do so if its policies are conscious choices among rational alternatives. In his contention:

> philanthropy is plainly no more than a fickle and confused policy stimulant .... To talk of humanitarian aid in Canadian foreign policy is, in fact, to confuse policy with the ethics of the individual moulding it, to mix government objectives with personal motives.[114]

Economically, Spicer argues that the supposed benefits are not enough to make commercial objectives important factors in the decision to give aid. Foreign aid has severe limitations as a trade and export promotion strategy. Aid purchases or contracts constitute a very negligible aspect

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[113]Keith Spicer, A Samaritan State? External Aid in Canada's Foreign Policy, (Toronto: University of Toronto Press, 1966).

[114]Ibid., p. 13.

of Canada's economy, even if it were 100 percent tied. Consequently, aid related activities could not impact on Canada's economy. It could hardly affect prices, consumption nor employment. As such, the economic benefits from aid would not measure against the cost of giving it. Spicer therefore estimates that Canadian assistance to the developing countries "comprises loss in giving goods and services free or on privileged terms". Canada would only benefit from such transactions if they were carried out at market terms. Not only are profits sacrificed through foreign aid, but "inflation and balance of payment problems" worsen. Consequently, other investments "assuring a still higher return" are denied the resorces allocated to aid.[115]

It is only as an instrument of foreign policy that Spicer believes a case could be made for Canadian aid. It had Cold War undertones. Quoting George Liska, Spicer argues:

> foreign aid is inseparable from the problems of power; and where there is power, politics is the governing factor not an incidental factor that can be dispensed with. Thus for better or for worse (Canada gives economic assistance to the Third World because) it is the only practical influence on political institutions in the developing countries ... which is directly opened to Western governments.[116]

Even so, Canada's potential for influencing the governments of the developing nations through foreign aid is not as impressive as the desire to do so.

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[115]Ibid., p. 43.
[116]Ibid., p. 13.

Based on this conclusion, Spicer believes that using Canadian aid in the attempt to preserve world peace and security is a misplaced priority. He points out that it is on record that Canadian aid did not prevent Indonesia from going to war with its neighbor, Malaysia. In spite of aid, the islands that constituted the West Indies federation broke up and went their separate ways. In both cases, aid did not bring peace nor increase security in Asia or the Caribbean. Even if there was a correlation between aid, peace, and international security, Canadian aid lacks the capacity to do the job. In Spicer's assessment, it is "far too small" to effect the necessary changes compared to the enormity of the poverty and underdevelopment in the Third World.

Without much ado, Clyde Sanger concurs with Spicer. He shares the view that the primary motivations for Canadian aid are politcal.[117] In Sanger's words, "the pricinpal interest guiding Canadian aid to the developing countries is essentially political".[118] Although there are elements of humanitarian sentiments in aid allocations, Sanger argues that philanthropy is not a decisive factor in aid policy. The fact that not much is being done to help met the "mountainous needs" of the Third World is enough proof, in his view, to indicate the lack of strong humanitarian motives.[119] What Sanger would like to see is development

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[117]Clyde Sanger, Half A Loaf: Canada's Semi-Role Among Developing Countries, (Toronto: The Ryerson Press, 1969).
[118]Ibid., p. xii.
[119]Ibid.

assistance based strictly on the morality of the 'haves' giving to the 'have-nots'.

Stephen Triantis belongs to the group of analysts who believe that the motives behind Canadian aid are primarily political.[120] Along the same lines as Spicer, Triantis points out that Canadian aid practice does not suggest humanitarianism. Only gullibles, he argues, would hold such views. The government is definitely not "moved by the feelings of human solidarity towards the underdeveloped countries".[121] Not even the public who is known for its philanthropy could demonstrate this solidarity. In the first place, the information available to the public is not enough to arouse such feelings. The Canadian people have no knowledge of the conditions of poverty nor the problems of underdevelopment in the Third World. Except in emergency situations like the famine in Ethiopia, civil wars, or cases of natural disasters that are brought to their living rooms by television cameras, the public lacks awareness. Within the Canadian public, the knowledge of grinding poverty and perpetual underdevelopment is esoteric. It is not sufficient to evoke any significant action.

Even in instances where awareness is highly increased, Triantis points out that the volume of aid envisaged by the public is usually small. The temporal limits of such assistance are also well defined. Triantis is convinced that

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[120]Stephen G. Triantis, "Canada's Interest in Foreign Aid", World Politics, Vol. 24, (October 1971): 1-18.

[121]Ibid., p. 2.

philanthropy as stated by the government is a way of removing foreign aid from public scrutiny while retaining support for the program. This "Sunday school mentality", as he labels it, "is a convenient strategy for eliciting public support for aid for obvious reasons".[122] Evidently:

> it appears noble and unselfish, and can serve in pushing into the background other motives, some of which might be difficult to discuss publicly... it is vague and hence serves well in the Canadian system of government in which it is not always considered necessary or desirable to measure, and fully to inform the public about, the true costs of, and benefits from, various public policies.[123]

On the economic spectrum, Triantis contends Canada's interest is in no way served by aid, as many would argue. In his view, the economic benefits from aid are far less than the cost of giving it. If such funds were invested in Canada, the developed nature of the market and business climate would guarantee a much higher return. It would benefit Canadians directly. Triantis also doubts if foreign aid is the right approach to the expansion of international trade. Canadian trade with the developing countries, as he points out, is a very small percentage of overall commercial activity. It would be in Canada's best interest to approach the expansion of its international trade directly than through economic assistance . It would be more lucrative to expand into bigger and larger markets of Mexico, Japan and the European Economic Community. Any benefit to Canada from aid to the developing countries, Triantis holds, are largely

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[122]Ibid., p. 6.
[123]Ibid.

incidental.

Political motives, Triantis contends, best explain Canada's involvement in international development assistance. Canada belongs to the group of rich nations. It is more or less obliged to do what others do. And having a foreign aid program is one of them. Most importantly, economic assistance gives Canada political access to the developing countries. It grants Canada audience with Third World leaders and governments. This puts Canada in a position to request the support of these countries in international forums. According to Triantis, such support, political and moral in nature, is very valuable in the non-physical East-West ideological combat and the search for allies. As he concludes, assistance to the developing coountries, particularly technical aid, places Canadian

> experts in the underdeveloped countries in, or close to, positions of intelligence and decision making which gives Canada the opportunity to influence the long-term as well as the everyday policies of the recepient countries and to lead them to rational political and economic developments and better understanding of interests and problems of mutual concern.[124]

Arghyrios A. Fatouros and Robert Nelson express similar political views.[125] In their analysis, foreign aid, in its current practice is in no way different from the subsidies given to friendly princes in past centuries. It is an avenue which has been accepted for a long time "as a legitimate way

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[124]Ibid., p. 12.
[125]Arghyrios A. Fatouros and Robert N. Nelson, Canada's Overseas Aid, (Toronto: Canadian Institute of International Affairs, 1964).

in which a state may acquire or influence the policy of other states".[126] Only political motivations and the economic benefits to be derived from aid would make Canada spend millions of dollars in assisting the developing countries.

Although the facts may be sometimes exaggerated out of proportion, Fatouros and Nelson stress that external aid has been and is being used to assist domestic industries. This is evident, they claim, in government aid contracts to various companies and manufacturers . Even food aid has economic benefits. It is one way of disposing surplus foodstuffs such as wheat, flour, milk powder and other perishable edibles. It helps to maintain the prices of commodities at reasonable levels. It keeps farmers happy by guaranteeing them a stable return for their investments.[127]

Fatouros and Nelson do not doubt that there is a certain element of humanitarianism in Canadian aid. It is only, in their estimate, difficult to determine. However, they do not underestimate it, "especially when no exact order of importance of the other motives have been established". Accordingly, they suggest that a balanced view of the aid debate would be enhanced by not divorcing politics from economics. The roles and positions of interest groups vying for influence is such that the government is constantly engaged in a balancing act. Whose views prevail

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[126]Ibid., p. 22.

[127]This assessment is categorically supported by CIDA statements. See John de Bondt, "Canada's Aid to Developing Countries", Reference Papers, No.86, (October 1973): 5.

over what policy depends largely on who has how much influence over that policy. By the same token, the influence a group vies for is dictated by what its interests are. They state:

> Political motives are dominant with respect to Government decisions and actions; economic ones predominate in the minds of businessmen, while the general public seems more influenced by humanitarian arguments.[128]

On the contrary, Grant L. Reuber[129] and Peter Wyse[130] contend that the above arguments are baseless. Concisely stated, Reuber believes that "Foreign aid almost certainly makes Canada worse off rather than better off economically, in the long run and in the short run".[131] Foreign aid, he argues, is giving away Canadian goods and services to the developing countries which by no means enrich Canada. In his contention, to prove that development assistance actually benefits Canada, two criteria must be satisfied. In the first place, it must be shown that tied aid increases production. Secondly, such increase must be proven to be that over and above what the domestic market cannot absorb. Beyond that, Reuber concludes that the export promotion dimension of aid is more or less "virtually zero".[132]

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[128]Arghyrios Fatouros and Robert Nelson, op. cit., p. 30.
[129] Grant L. Reuber, "The Trade-Offs among the Objectives of Canadian Foreign Aid", International Journal, Vol. 25, (Winter 1969-1970): 129-141.
[130]Peter Wyse, Canadian Foreign Aid in the 1970s: An Organizational Audit, (Montreal: Centre for Developing Area Studies, McGill University, 1983).
[131]Grant Reuber, p. 130.
[132]Ibid., p.131.

Similarly, Peter Wyse doubts whether foreign aid is of any economic benefit to Canada. In his view, those who cite the number of jobs created by tied aid do not consider the alternative use of aid funds. It is not so much the number of jobs created nor the level of export that matters, but the price at which these programs are maintained. Wyse calculates that tied aid expenditures as a means of job creation and export promotion are "inherently inefficient". Other government programs, in his estimates, would create similar number of jobs and maintain the same level of exports. The only difference being the cost. On the average, aid expenditures made as "direct government investments in manufacturing" enterprises" would create the same number of jobs at about "14.8 percent of the cost".[133]

Wyse goes on to list federal government job creation programs like the Department of Regional Economic Expansion (DREE), the Local Intiative Program, the Opportunities for Youth Program, and the Local Employment Assistance. He suggests that what these programs have in common are their job creating capability which is far above what can be allowed for in tied aid. Moreover, it is done at a fraction of the cost. The DREE, for instance, will create the same number of jobs as tied aid expenditures but at 12.9 percent of the cost.[134] Likewise the other programs. Wyse concludes that they are all efficient alternatives to foreign aid

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[133]Peter Wyse, op. cit., p. 3.
[134]Ibid.

expenditures in job creation as well as export promotion.[135]

The government's humanitarian declarations find support in Peyton V. Lyon.[136] Whatever economic or political benefits others see in Canada's international development assistance, Lyon dismisses them as inadequate. In his view, they are"unpersuasive or at best seriously incomplete". They cannot explain the interests, material or otherwise which serve to inform Canada's external aid policy.[137] As Lyon views Canada's relations with the developing countries, the exchange of benefits appears unidimensional. The "objective of aid allocation is not to enhance the wealth, security or influence of Canada". Were that to be the case, Lyon shares Wyse's views that it is easy to think of more certain ways than the disbursement of hundreds of millions of dollars in aid to the developing countries.[138] Lyon strongly agrees with Grant Reuber that "foreign aid almost certainly makes Canada worse off economically ...".

Only humanitarianism, Lyon contends, explains Canada's international development assistance efforts. This "Sunday school mentality", to use Triantis' adjective, according to Lyon is a virtue not wanting of adherents. It is "shared by most Canadians responsible for determining policies towards the Third World".[139] Morally, he continued, "most Canadian

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[135]Ibid., p. 6.
[136]Peyton V. Lyon, "Introduction", in Peyton V. Lyon and Tareq Y. Ismael, Canada and the Third World, (Toronto: Macmillan of Canada Ltd., 1976), pp. x-xlix.
[137]Ibid., p. xlii.
[138]Ibid.
[139] Ibid.

officials and politicians favor a generous response to the needs of the developing countries".[140] Lyon therefore concludes that the only real compelling motive for Canadian aid is moral or humanitarian".[141]

In reality, however, all the self-professed philanthropists appeared unconcerned about the real problems of Third World. In a series of surveys conducted by Lyon and associates, it became embarrassingly clear that Third World problems were not of any major importance in the foreign policy making community.[142] Most of the officials interviewed, as much as they perceived "Canada's participation in international development to be essentially a matter of altruism or conscience" ranked the redistribution of wealth on the bottom of their concerns.[143] "By a two-to-one margin", the decision makers would not support tariff and quota reduction on imports from the developing countries. To them, Canada's economic gains take precedence over the redistribution of wealth.[144]

From a similar humanitarian perspective, although based more on normative than empirical pretensions, are the views expressed by Douglas Roche.[145] Uneqivocally, Roche strongly

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[140]Ibid., p. xlv.
[141] Ibid., p. xlii.
[142]Peyton V. Lyon et al, "How "offical" Ottawa views the Third World", International Perspectives, (Jan/Feb 1979): 11-16.
[143]This study is discussed in detail in Peyton V. Lyon and Brian W. Tomlin, Canada as an International Actor, (Toronto: Macmillan of Canada Ltd., 1979), chapter 8.
[144]Peyton Lyon et al, "How "official" Ottawa views the Third World", op. cit., pp. 12-13.
[145]Douglas Roche, Justice Not Charity: A New Global Ethics for Canada, (Toronto: McClelland Stewart Ltd., 1976).

supports humanitarian foreign aid. In his opinion, there is not enough of it. While Roche sees nothing wrong with analyzing motives for aid, he believes that all concerned should join voices to advocate real "aid that works". Whatever motives are involved in aid, Roche thinks that the government could do better. What is required is a new ethics based on the morality of the haves sharing with the have-nots. And if Canadians are to prove sincere in their efforts to help solve world poverty and underdevelopment, this should be their course of action.

According to Roche, charity as Canadians now practice it, "is satisfing their desires and then passing on some of what is left over".[146] As in Sanger's description, it is "much like pushing pennies out through a half-opened door to a beggar".[147] Instead of this alms giving notion, Roche believes that what is needed is "justice" and equity. To achieve such an ideal situation would require Canadians to adjust their desires to the needs of the have-nots of the Third World. By so doing Canadians could induce a "planetary sharing of what all of mankind have a right to".[148]

Unlike analysts in other categories, those of a political economy approach are generally agreed on the motives of Canadian foreign aid. Basically, it is argued that "political motives have been an ever-present and

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[146]Ibid., p. 120.
[147] Clyde Sanger, Half A Loaf: Canada's Semi-Role Among Developing Countries, op. cit., p. xii.
[148]Douglas Roche, op. cit., p. 120.

dominant factor" in aid policy.[149] As it is presented, it evolved as a strategy to contain communism in Asia. In this respect, it is viewed as an instrument of foreign policy with which Canada serves Western interests in the Third World. Beyond anti-communism and holding the fort for the West, other reasons are advanced. Canada's internal political unity and economic interests form an essential part of the argument presented for giving aid.

As seen by Robert Carty and Virginia Smith, economic imperatives and political interests have come to be so intricately intertwined that it is now difficult to separate clearly one from the other. In most cases one leads to the other. As they argue, where economic relations existed, political interaction was bound to follow, and vice-versa. In terms of relations with the Third World, Linda Freeman contends that Canada's "active participation in an intensified competition for markets ..." has largely overshadowed political interests and issues of social justice".[150]

Similarly, Steven Langdon contends that Canadian foreign aid is as self-seeking as that of other donor nations. With specific reference to Africa, Langdon points out that Canada's primary concern on the continent is the

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[149]Robert Carty and Virginia Smith, Perpetuating Poverty: The Political Economy of Canadian Foreign Aid, op. cit., p. 167.

[150]Linda Freeman, "The Effects of the World Crisis on Canada's Involvement in Africa", Studies In Political Economy, No. 17, (Summer 1985): 107-108.

search for economic advantage. It is therefore not difficult to understand, he concludes, why Canadian foreign aid is tied to its goods and services.[151] Cranford Pratt even goes further. Concisely stated, he argues:

> the emergence of a single-minded predisposition to advance Canadian economic interests, narrowly defined, is widely acknowledged as a most important feature in the development of Canadian foreign policy in the last decade-and-a-half.[152]

All considered, this perspective assumes that the pursuit of commercial objectives has become the dominant theme in Canada's relations with the developing countries. This is particularly so, they claim, in periods of economic recession. While humanitarianism is not ignored in this approach, it is believed that it is not of a major policy consideration. It is intermitent and confined to emergencies.

From a policy analysis approach, Leonard Dudley and Claude Montmarquette put these varying contentions to rigorous testing.[153] Within the context of foreign aid as defined in this study, they suggest that the humanitarian rationale for Canadian aid is wanting in all respects. Foreign aid, as their study indicates, is like any other commercial transaction in Canada's economic relations. It is

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[151]Steven Langdon, "Canada's Role in Africa", in Norman Hillman and Garth Stevenson, eds., A Foremost Nation: Canadian Foreign Policy and a Changing World, (Toronto: McClleland & Stewart Publishers, 1977), chapter 8.
[152]Cranford Pratt, "Canadian Policy towards the Third World: Basis for Explanation", Studies In Political Economy, No.13, (Spring 1984): 27.
[153]Leonard Dudley and Claude Montmarquette, The Supply of Canadian Foreign Aid: Explanation and Evaluation, (Ottawa: Economic Council of Canada, 1978).

not a one way flow from Canada to the developing countries. Instead it involves an exchange. Canada gives foreign aid in order to receive something back. What Canada gets for its aid dollars, is what Dudley and Montmarquette call "foreign aid impact".[154] Such impact includes "political and economic concessions" from the developing countries. Canada, they contend, also seeks approval of its policies by its counterparts in the DAC and OECD.

Seen from this perspective, Dudley and Montmarquette argue that in giving aid Canada is politically motivated and economically interested. Such motivations include the desire to elicit political support from recipients. In return for foreign aid, the developing countries may be favorably disposed towards issues that affect Canada. In international forums like the United Nations or the Commonwealth of Nations, developing countries' vote may be essential to passing resolutions in Canada's interest. By the same token, the government expects economic returns from its aid program. This explains, they claim, why a high percentage of aid is tied.

Given such a situation, the motives for Canada's international development assistance can only be said to be philanthropic when the government gives aid and receives nothing in return. Altruism may, in the author's words, "help explain funds for disaster relief" but not tied aid and loans for development assistance. Humanitarianism or the

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[154]Ibid., p. xiii.

"desire to help those in less fortunate circumstances" is therefore not a strong enough motive to account for the hundreds of millions of dollars that Canada spends on its bilateral assistance program.[155] Dudley and Montmatquette conclude that "the supply of Canadian foreign aid may be explained by the desire for political influence, an improved image of the government in the Third World countries as well as the developed nations".[156] Economic benefits, albeit not inconsequential, are "side effects" of aid.

As this chapter suggests, views held by a number of scholars, analysts, observers, critics and proponents of aid on the motives behind Canadian foreign aid are diverse. Before commenting on some specifics in the following chapters, it is in order to highlight certain generalities. The approaches as examined above are broadly accommodated under the rubric of the existing political, economic, and humanitarian rationales. However, the combination of these individual persepectives, as suggested by Fatouros and Nelson, tends to display a higher level of explanatory capability. This appears evident from Dudley and Montmarquette's approach and the political economy framework. It allows for the examination of political exigencies, at the same taking account of economic considerations without ignoring moral sentiments. However, some analysts may tend to emphasize one aspect of the approach to the neglect of others. Analysis in such cases

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[155]Ibid., p. 27.
[156]Ibid., p. 101.

would be skewed.

Reasons for the gulf between approaches in the analysis of motives in Canadian aid are numerous. Some are, however, principal. Most of the approaches are locked in time frames and thematic analysis. Once a premise is chosen, attempts are hardly made to relate one period or theme to another. The tendency is to divide the analysis of foreign aid into dimensions, political, economic, and humanitarian, analytically independent of each other; as if these spheres are in reality mutually exclusive. With the major exception of Dudley and Montmarquette's policy analysis and the political economy approach, the frameworks are somewhat inadequate. They do not show how the interplay of motives is manifested in policy outcomes. They fail to consider in what time frame one motive or another is likely to predominate.

In this situation what one is presented with is a variety of approaches, each tuned to the analysis of a determinate situation or a permanent state of affairs. Many perspectives do not not allow for the fact that a motive or purpose apparently strong and vigorous in one decade or period in time may be absent or relegated by events in another. The reality is such that events on the international spectrum are always in a constant state of flux. So is the political configuration in Canada changing. Issues that attract domestic interest groups' attention also have a way of changing and shifting.

By the same token, official and public support for such matters, to a large extend, have the tendency of rising and falling,depending on the issues or interests at stake. Taking for granted that a prevailing order of events will remain constant severly limit the degree of flexibility needed to accommodate change and explain the complex interaction between the politics, economics, and the morality of Canadian foreign aid. Specific arguments are incorporated into the context of humanitarian, economic, and political analysis below. The next chapter looks at the theory and practice of humanitarianism in aid policy.

IV. Humanitarianism

Food aid raises particularly important questions in development assiatance. Internationally, it is the most visible form of humanitarian aid. In this particular aspect of foreign aid, Canada is regarded as one of the most benevolent of all donor nations. According to the government, Canada is the second largest donor to the World Food Program. It contributes about $500 million in food aid through this channel to assist developing countries all over the world. As a major provider of food aid to the Third World, Canada estimates that it "contributes more food aid per capita than any other nation".[157] But it is not usually stated how much of this is real aid and how much of it is market transaction. This chapter attempts to demonstrate that such declarations and statements are not as humanitarian as they appear or sound. More than philanthropy is involved. It entails a significant element of commercialization.

Food aid is an integral part of Canada's development assistance since the establishment of bilateral aid. The major commodities have been wheat and flour. Like economic aid itself, circumstances external to Canada's control led to its discovery. It was after the Second World War and Western Europe was fast recovering from the ruins. In the agricultural sector, food production was steadily attaining

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[157]CIDA, "The Food Crisis in Africa, Food Aid: Filling the Gap", (Ottawa: CIDA, 1985): 1.

its pre-war level. Canada's major wheat export to Europe was then been replaced by local production. Asia with its needs provided an outlet for Canadian wheat and focus was appropriately shifted. However, there were essential differences. Unlike Europe, the Asian countries were not cash capable of buying Canadian wheat. So it was sold to them through the normal foreign aid channel. Furthermore, in the supply and demand of wheat, Europe determined its needs. Canada controlled what the Asians got. One CIDA source said of the period: "Canada's humanitarian response to the needs of Asian development was eased by large agricultural surplus".[158] Not very many questioned whether surplus food disposal was one and the same thing with development.

By 1957 food aid had become one of the major items in Canada's allocation to Asia. Put at $5 million, it represented about 29.6 percent of total disbursements.[159] A figure which grew from a mere 1.9 percent or $645,000 at inception. How much food aid these countries needed was of secondary importance. As the Prime Minister, John Diefenbaker said, the "Asian countries as fellow Commonwealth members, should be willing to help Canada's problems as well as their own".[160] Inspite of earlier statements decrying attaching strings to aid, the Prime Minister believed that past and future aid had obliged these

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[158]Cited in Robert Carty and Virginia Smith, Perpetuating Poverty: The Political Economcy of Candaian Foreign Aid, (Toronto: Behind the Headlines, 1981), p. 116.
[159]Ibid.
[160]Ibid.

poor nations to take whatever Canada had to dispose of. It was simple:

> In view of the fact that we have in Canada a tremendous surplus of wheat, we would naturally hope, if not expect, that these countries would take a large share of wheat and flour under the Colombo Plan. It is our hope that in the next few years a substantial portion of our contribution will be made up of wheat.[161]

Barely a year after Diefenbaker stated Canada's expections of its aid recipients, food aid was increased. In 1959 the government more than doubled its allocations. In just two years, food aid increased form $5 to $12.5 million.[162]

At this juncture, many recipients became unhappy with Canada's force-feed. India, for example, was known to have complained openly, and even had cause to reject a shipment of wheat because of its low quality.[163] The policy, however, was not reexamined. This might only have revealed the incongruence between declarations and actual practice. Whether or not food aid really advanced development in the Third world, "peu import". It was a commodity which Canada had in surplus and had to be disposed of one way or another. To a large extent, the amount of Canada's surplus wheat disposal came to determine what these developing nations received.

In 1964 new elements were introduced to intensify the commercialization of food aid. Food aid allocation was hence

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[161]Quoted in Ibid.
[162]Ibid.
[163]Douglas G. Anglin, "Canada's External Assistance Programme", International Journal, Vol. 9, (Summer 1954): 195.

treated separately from other types of aid. In essence, the separation left wide open the government's use of food aid to the extent of available surplus. The developing countries lost the little say they had in its allocation. The limits of the food aid fund took care of that. In the fiscal year 1966/1967 $40 million was allocated to food aid alone.[164] No country could request its share of food aid to be used for other developmental purpose. In periods when there was no wheat surplus, the government would direct that the funds be spent on other surplus commodities.[165]

This was particularly evident between 1971 and 1974. It was a period when wheat was in short supply globally. As a result, prices tripled.[166] In a move not dictated by any semblance of humanitarianism, Canada cut its wheat supply to the developing countries. This was not because the Third World needed less Canadian wheat. On the contrary, they demanded more. The global shortage had coincided with a "food crisis" in the Third World. Exports were cut so that Canada could have more wheat to sell on the world market and take advantage of the cash flow situation.

Consequently, unable to afford the higher prices many developing countries were forced to reduce their wheat consumption. The fact that they had to compete against

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[164]Peter Wyse, Canadian Foreign Aid in the 1970s: An Organizational Audit, (Montreal: Centre for Development Studies, McGill University, 1983), p. 12.
[165]Robert Carty and Virginia Smith, op. cit., p. 112.
[166]Clyde Sanger, "Canada and Development in the Third World", in Peyton V. Lyon and Tareq Y. Ismael, eds., Canada and the Third World, (Toronto: Macmillan of Canada Ltd., 1976), p. 283.

developed nations like Japan, Britain and the Soviet Union who captured the "entire market" mainly for the purpose of livestock feed did not help.[167] Now a scarce commodity, wheat was replaced by products like milk-powder, egg, rapeseed and other surplus edibles in the Canadian food aid basket. They were what CIDA could find to spend its food aid funds on.[168] In periods of surplus, the developing countries were often inundated with wheat. But between 1971 and 1974, when they desperately needed it, supply was cut in half. Given this practice, it is very doubtful if humanitarianism actually influenced aid policy. Several studies have argued along similar lines.

Joseph Ingram presented arguments supporting this view. In a study of foreign aid decision makers, the author found that to talk of humanitarianism in Canadian aid policy is a misnomer.[169] The importance accorded humanitarianism by those actively involved in aid policy formulation and administration in CIDA, External Affairs, and other Departments was very negligible. Of the thirteen key officers interviewed, only four regarded aiding the developing countries for their own sake of any relevance in their decision making. The other "nine perceived humanitarianism as relevant only to the extent that it provides the foreign aid program with the necessary public

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[167]Robert Carty and Virginia Smith, op. cit., p. 120.
[168]Ibid., p. 122.
[169]James K. Ingram, "Canadian Foreign Aid Objectives: Perceptions of Policy Makers" [A Paper presented to the Annual Meeting of the Canadian Political Science Association, University of Toronto, June 3-6, 1974].

support and legitimacy".[170] A high proportion of the officers were, however, agreed that "When there is a famine, then it becomes important, almost as a direct proportion to the number of people starving".[171]

This perspective takes on added significance in the light of similar occurrences in the past. In 1968, the starvation caused by the civil war in Nigeria elicited such a response.[172] The famine that ravaged the Sahel region in 1972-1973 produced a similar effect.[173] This was especially demonstrated in the very recent situation in Ethiopia. When television cameras beamed graphic pictures of mass death by starvation in November 1984, Canada's response was swift and decidely humanitarian.[174] Beyond the mass starvation in Ethiopia and similar calamities, the extent to which humanitarianism influences Canadian foreign aid policy is subordinated, as elaborated in the following chapters, to political imperatives and economic considerations. Peyton Lyon et al reached similar conclusions. In the study refered to earlier, they found that their philanthropists at heart would not actually enact aid policy without first reference to Canada's perceived commercial interests. Pierre Trudeau

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[170]Ibid., p. 7.
[171]Ibid.
[172]It became more or less an emotional issue in Parliament and in the press. See Pierre Trudeau, "The Conflict in Nigeria", External Affairs, (December 1968): 486-502.
[173]This is fully discussed in CIDA, A Long-Term Solution for the Sahel: Canadian Bilateral Assistance, (Ottawa: CIDA, Public Affairs Branch, 1985).
[174]See Government of Canada, The African Famine and Canada's Response [A Report by the Hon. David MacDonald, Canadian Emergency Coordinator/African Famine, November 1984 to March 1985].

would not disagree with such a view. According to him, "sweet philanthropy" is a flavor used by the government to "coat the cost" of Canada's "bitter aid pill".[175]

Except in emergency situations, Canadian food aid has been given largely on commercial basis. Analysis by the North-South Institute revealed that all of Canada's agricultural exports to the developing countries were often inappropriately classified as food aid. In 1976 this was in the order of $1.5 billion. Of this total, 90 percent took place on commercial basis. The comparable figure for wheat alone was estimated at 89 percent.[176] Although Canada generally provided better credit terms than many other donors, the ratio of aid to commercial transactions was not improving. In 1978, 90 percent of food aid still toook place on "commercial and credit" terms.[177] Africa was not immuned from this general practice. As Table 2 indicates, the steady increase in food aid allocation to the tune of about $68 million in 1984/1985 fall into this global pattern.

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[175]Pierre Trudeau, "A New Approach to Aid", in Arthur A. Blanchette, Canadian Foreign Policy 1966-1976: Selected Speeches and Documents, (Ottawa: Gage Publishing Ltd., 1980), p. 233-234.

[176]North-South Institute, North-South Relations/ 1980-85, Priorities for Canadian Policy [A Discussion Paper Prepared for the Special Committee of the House of Commons on North-South Relations, (revised edition) (Ottawa: North-South Institute , November 1980), p. 42.

[177]Theodore Cohn, "Canadian Food Policy and the Third World", Current History, Vol. 79, No. 460, (November 1980): 140

Table 2 Food Aid to Africa (Cdn $million)

Year	Commonwealth	La Francophonie	Total
66/67	2.00	3.00	5.00
67/68	2.00	1.00	3.00
68/69	4.55	6.10	10.65
69/70	2.02	8.50	10.52
70/71	5.00	11.00	16.00
71/72	3.00	9.00	12.00
72/73	4.00	11.25	15.25
73/74	4.00	10.00	14.00
74/75	n	n	
75/76	7.75	6.96	14.71
76/77	5.62	6.58	12.20
77/78	7.18	9.82	17.00
78/79	4.58	6.75	11.33
79/80	6.91	5.68	12.59
80/81	5.41	11.84	17.25
81/82	9.32	12.67	21.99
82/83	1.16	20.25	21.41
83/84	6.36	17.74	24.10
84/85	33.62	34.40	68.02
Total	114.48	192.54	307.02

Note: Figures for 1974/75 were unavailable.
Sources: CIDA, Annual Review, 1966-1986

This was made available in the form of wheat, skim milk powder, beans, fish and maize.[178] From above figures, food aid appear impressive. However, the aid component constituted a very minute percentage of total food transfer. As others have argued, Harald van Riekhoff et al maintained that, food aid was "not designed with the needs of the recipient countries in mind but as one of several means of managing the persistent problem of overproduction in North America". This policy, they reaffirmed, was "dominated by

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[178]CIDA, "The Food Crisis in Africa, Food Aid: Filling the Gap", (Ottawa: CIDA, 1985), pp. 1-3.

the fear of surpluses and the consequent need for subsidies to maintain markets"[179]

In some instances, these subsidies far exceeded prevailing market prices. According to the Manitoba branch of the Rapeseed Association of Canada, their members were confused about the government's surplus disposal policy. As Jan Waye, the spokesman for the association put it,

> There is growing concern ... that when Ottawa tenders to buy oil under CIDA aid program, prices offered ... far exceed the concept of value-added. The two most recent examples have been purchases for India and Bangladesh. There was only one buyer in the world that would have paid the price that was offered by these crushing plants and that buyer was the Canadian government. Selling oil at prices over what these same plants will offer other buyers besides the government is not in the best interest of the rapeseed producer, the Canadian taxpayer or the recipient of the aid.[180]

It appears that if the developing countries receive Canadian food aid at price, they were probably paying more than what they would have paid on the market.

The pledge made by CIDA to focus assistance on the "most crucial aspects or problems of development" by emphasizing "food production and distribution" has not been forthcoming. Although "commitments in agriculture and rural developments" no doubt increased, they did not increase because the interests of developing countries were given priority. The commitments focused more on "capital-intensive

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[179]Harald van Riekhoff et al, "Probing an Uncertain Future: Dilemmas in Establishing Priorities in Canada's International Food Policies", (chapter 10 of a larger study done for the Department of External Affairs) (undated), pp. 1-3.

[180]Cited in Theodore Cohn, "Canadian Food Policy and the Third World", op. cit., p. 141.

nothern agriculture" than labour intensive projects appropriate to most Third World countries.[181] Most projects were therefore "carefully tailored to Canadian capabilities".[182] This couching of commercialism in philanthropy could even be gleaned from debates and testimonies in the House of Commons. It had been argued that it was not necessarily in the Canadian interest to aid the developing countries in achieving self-sufficiency in food production. According to this argument, Canada would only be taking away its market for surplus disposal if the recipients of its food aid were to produce enough for themselves.[183]

Given this reality, the limits of philanthropy or altruism in Canadian foreign aid policy are well defined. It is manifested mostly in response to emergencies within the context of the International Humanitarian Assistance (IHA) program. The IHA is a special program under CIDA through which the government responds to requests on humanitarian basis. This program is set aside for all developing countries as defined by the Development Assistance Committee of the (OECD).[184] There is a reason for the separation. According to the government, it enables Canada to respond to emergency relief situations without involving political

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[181]Ibid., p. 146.
[182]Kathryn McKinley and Roger Young, Technology and the Third World: the Issue and Role for Canada, (Ottawa: North-South Institute, 1979), p. 126.
[183]Cited in Robert Carty and Virginia Smith, op. cit., p. 126.
[184]CIDA, Canada and International Humanitarian Assistance Organizations, (Ottawa: CIDA, Public Affiars Branch, 1985).

criteria nor matters of basic economic considerations. In total, a maximum of three percent of Canada's official development assistance funds is set aside for the program.[185] At the height of the famine crisis in Ethiopia, in the fiscal year 1984/1985, the program consumed resources amounting to two percent of ODA.[186] Although multilateral and bilateral allocations were not separated, it increased from $9.1 million in 1978-1979 to $41.4 million in 1984-1985.[187]

To the extent that the International Humanitarian Assistance program and the response to emergencies represent the limits of Canada's philanthropy, these government claims could be viewed as nothing more than rhetoric. According to the study by Peter Fleming and T.A. Keenleyside referred to earlier, only government statements on aid policy are decidedly humanitarian. Action never seemed to follow. In their conclusion, the gap between theory and practice is such that:

> without the necessary policy adjustments being made to enable Canadian bilateral aid to concentrate on "grassroots development", the alleged humanitarianism underlying Canadian development assistance will remain more of a claim than a reality.[188]

Notwithstanding, the government had the tendency of parading

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[185]Ibid., p. 3.
[186]Joe Clark, Secretary of State for External Affairs, Competitiveness and Security: Directions for Canada's International Relations, (Ottawa: Ministry of Supply and Services, 1985), p. 36.
[187]CIDA, Canada and International Humanitarian Assistance Organizations, op. cit., pp. 5-7.
[188]Peter Fleming and T.A. Keenleyside, "The Rhetoric of Canadian Aid", International Perspectives, (Sept/Oct 1983): 21.

philanthropy as its primary motive for aiding the poor countries. With a limited knowledge of the subject, the public had not the information necessary to challenge government this claim. Yet the public seemed often favorably disposed towards foreign aid.

One of the earliest opinion polls taken in Quebec in 1962 showed that about 72 percent of those surveyed approved of foreign aid in general.[189] Of this number 18 percent thought the level of aid was too low. Another 37 percent considered it about right while 17 peroent viewed it too high. Among the 86 percent that supported the principles of foreign aid in 1963 12 percent wanted to see it increased.[190] On the other hand, 23 percent were of the view that Canada was spending too much to aid the developing countries. In the same poll, 51 percent agreed that Canada was doing what they considered enough for the Third World. By 1969 the percentage of those that approved of aid declined. Compared to 1963 only 61 percent favored economic assistance to the developing countries. A group of young Canadians questioned in 1971 raised some hopes for the future. Despite a limited knowledge of the subject, 97 percent would support it.

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[189]This particular survey conducted by Claude Lemelin and Jean-Claude Marion was published as Le Canada Francais et le Tiers-Monde, (Ottawa: Editions de l'Universite d'Ottawa, 1963).

[190]This section on opinion polls and surveys relies extensively on "Appendix: Public Opinion Polls", in Peter Wyse, Canadian Foreign Aid in the 1970s: An Organizational Audit, (Montreal: Centre for Developing-Area Studies, McGill University, 1983), pp. 77-78.

The surveys that were conducted from the mid 1970s on showed more or less the same trend. Many demonstrated a willingness to support foreign aid programs. Some, however, had reservations. They thought that Canada should take care of its citizens before extending its generosity abroad. In the federal capital of Ottawa in 1974, a survey revealed several facts. As many as 40 percent of those polled could not identify CIDA as the government agency responsible for the management of foreign aid. Yet 87.7 percent thought that Canada was in the position to assist the developing countries. Late in the same year the Gallup organization came out with parallel conclusions. The survey found that 72 percent of those who expressed their opinion would actively support international development assistance. However, 21 percent said they would not willingly contribute to development assistance. A follow-up by Gallup indicated that only a not too impressive 53 percent would support increases in aid level.

As suggested by a Vancouver Sun poll in July 1975, 72 percent of those surveyed, were in support of aid to the underdeveloped nations, irrespective of reservations.[191] A poll in 1976 found that a substantial number of Canadians, 73 percent, still knew little or nothing about the politics of foreign aid. However, from press coverage of CIDA's ineffeciency and waste, many were beginning to question the effectiveness of aid and its utility to recipients.[192] Of

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[191]"Poll on Aid", Vancouver Sun, (July 26, 1975): A23.
[192]A summary of the public's attitude towards aid is

those that considered themselves as having a fundamental understanding of aid, 28 percent were of the view that the program was overspending. On the contrary, 35 percent thought it was not. In 1977 another survey suggested that as much as 80 percent of those polled doubted whether aid was really getting to those that needed it the most. Skepticism apart, another survey conducted in the same year indicated that almost an equal number, 81 percent, viewed development aid as necessary. Another 61 percent saw aid as a moral obligation on the part of the rich to the poor.

Many of the later polls on foreign aid, more or less conformed to the earlier ones. They also displayed the same degree of fluctuation. In 1978 the Gallup organization conducted a telephone survey of attitudes toward foreign aid in urban centres across Canada. It revealed that only 44 percent of Canadians were in favor of increasing aid levels. Barely a year later, a similar survey found that attitudes toward aid were more mixed than it would appear on the surface. A breakdown showed that 41 percent were of the opinion that foreign aid commitments were about right at their 1979 levels. On the contrary 33 percent thought they were too high. By the same token, 18 percent would support

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192(cont'd) contained in Canada, House of Commons, Parliamentary Task Force on North-South Relations, Report to the House of Commons on the Relations Between Developed and Developing Countries, 1980, (Ottawa: Ministry of Supply and Services, 1980)., see also North-South Institute, North-South Relations/ 1980-85, Priorities for Canadian Policy [A Discussion Paper Prepared for the Special Committee of the House of Commons on North-South Relations, op. cit.

increases. Another 31 percent viewed aid as a waste of money or at best highly ineffecient. On the other hand, 44 percent disagreed with this view. A government survey conducted in 1980 revealed what many observers have suggested all along. The poll found that "over 90 percent of Canadians want their foreign aid to be given for humanitarian or moral reasons".[193] On the contrary, only four percent though it should be given to benefit Canadian business.[194]

Despite this desire on the part of the public to give for altruism, it is clear that it is not the reason for which their government aids the developing countries. In large part, this is due to the fact that the government and the general public have a different meaning of the same concept of foreign aid. Understood in humanitarian terms, as presented by the government, the public could only have one view of aid. That is one of amassing vast quantities of food, clothing, medical and other types of emergency assistance to those in desparation. From the public view, these are needs which arise from unforseen natural disasters like famine or earthquake. They do not necessarily understand foreign aid from a developmental approach. As one Member of Parliament defined it, "Canadians approach external aid as a Christian problem ...".[195]

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[193]Patricia Adams and Lawrence Solomon, In the Name of Progress: The Underside of Aid, (Toronto: Energy Probe Research Foundation, 1985), p. 57.
[194]Ibid.
[195]Cited in Keith Spicer, A Samaritan State?: External Aid in Canada's Foreign Policy, (Toronto: University of Toronto Press, 1966), p. 11.

The government does in no way attempt to dispel this myth about foreign aid. Instead it reinforces it. A general study by the OECD of member countries had noted this as early as 1975. The study concluded that the kind of information fed to the public was often simplified almost to the point of distortion. Such information, the study warned, reduced the "chances of an exchange of ideas and increase the dangers of accepting ready-made opinions by means of an almost automatic conditioning process".[196]

In the Canadian context this problem is no less different. Denis Stairs observed:

> very few Canadians are sufficiently attentive to the details of foreign aid to understand how large it actually is, or to observe in any direct way such linkages as might exist between the government's collective "sacrifice", on the one hand, and their own individual sacrifices, on the other.[197]

In the first place, as Triantis earlier noted, the public has little or no knowledge regarding poverty and underdevelopment in the Third World. The public is not even aware that foreign aid is supposed to promote development.

As such, the public is hardly aware of the difficulties of development, or the hard to establish correlation between aid and development. It is not told of the long term hapharzard nature of the the undertaking. The attendant "complexities, risks, the likelihood of short term setbacks, or of the important influence of international economic

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[196]OECD, Development Cooperation: Efforts and Policies of the Members of the Development Assistance Committee, (Paris: OECD, 1975), p. 107.

[197]Denis Stairs, "Responsible government and foreign policy", International Perspectives, (May/June 1978): 29.

factors" are not explained either.[198] Without such basic information, expecting a sophisticated grasp of an issue as complex as foreign aid would be nothing short of a miracle. This is a subject on which even academics with the information and tools for analysis at their disposal are not agreed. As Stairs concluded:"The normal response is simply to abandon serious consideration of the problem and accept what the government does as a reasonable manifestation of public morality".[199] For the government, this is exactly what is desired.

The humanitarian rationale is to retain public support for the program. Satisfied with the notion of giving alms to poor, the public is discouraged from further inquiry about the motives of aid. As Triantis rightly argued, the government deliberately keeps foreign aid from public scrutiny. It allows the government to use development assistance to meet its political objectives and satisfy its economic considerations. Most importantly, whether public support for the aid program is passive or acquiescent, the government would claim to have consulted it. The support and not its form mattered more to decision makers.

Not even the attentive or organized sections of the public have been able to influence government behavior in this direction. If the government was sincere in its

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[198]North-South Institute, North-South Relations/1980-1985: Priorities for Canadian Policy, (Ottawa: North-South Institute, 1980), p. 62.
[199]Denis Stairs, "Responsible government and foreign policy", op. cit., p. 29.

humanitarian claims, one would have expected churches groups whose primary interest in foreign aid remains moral and ethical, to have influence over aid policy.[200] From the government's political stance, faith has no place in foreign policy.[201] As Matthews and Cranford pointed out, the government is resolved that

> ethical positions, by and large, are to be avoided even in cases where no great interest is involved as they might aggravate states whose support Canada may want on other issues or they might set a precedent which would be costly to copy in other issues.[202]

Because it is a matter of principle to always separate the politics and economic of foreign policy from moral and ethical considerations, the government often tend to view the churches as "radicals and idealists".[203]

It is fairly evident that the importance accorded humanitarianism in aid policy is very negligible. Not even parliamentary committees, supposedly convened by the government, have faired any better.[204] Linda Freeman best

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[200]For a comprehensive examination of the church groups' inability to communicate its moral wishes to the authorities, see Robert Matthews and Cranford Pratt, eds., Church and State: The Christian Churches and Canadian Foreign Policy (Proceedings of a Consultation), (Toronto: September 1983).

[201]George Cram, "The Canadian Churches and Canadian policy towards refugees", Ibid., p. 10.

[202]Robert Matthews and Cranford Pratt, "Canadian Policy Towards Southern Africa", in Douglas Anglin, Timothy Shaw and Carl Widstrand, eds., Canada, Scandinavia and Southern Africa, (Uppsala: Scandinavian Institute of African Studies, 1978), p. 172.

[203]Robert Matthews, "The Churches and foreign policy", International Perspectives, (Jan/Feb 1983): 21.

[204]This issue is treated extensively in Don Munton, ed., Groups and Governments in Canadian Foreign Policy [Proceedings of a Conference], (Ottawa, 9-11 June 1982)., C.E.S. Franks, "The Dilemma of the Standing Committees of the Canadian House of Commons" Canadian Journal of Political

summarized the limits of moral influence:

> Foreign aid policy and government attitudes towards the larger issues of economic relations with the Third World have not been affected by the involvement of Canadian NGOs or the parliamentary Subcommittee. Instead, they have emerged as a product of the interaction of government institutions, private business input and media distortion.[205]

Although it is accepted by a scholar as respectable as Peyton Lyon, evidence strongly suggest that holding humanitarian sentiments is one thing and translating them into government policy is another. Whatever semblance of philanthropy is demonstrated by those in the foreign aid decision making establishment appears largely unconscious and superficial to have any decisive influence on policy outcome.As Keith Spicer earlier concluded, to determine policy from the ethics of individuals moulding it, is to "mix government objectives with personal motives". The roles played by decision makers do not allow for this. Furthermore, the Departments and Ministries in charge of foreign aid expenditures have interests that are at variance with philanthropy.

The findings of Harley Dickinson are consistent with this view.[206] A study done in specific reference to the

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[204](cont'd) Science, Vol. 4, No. 4, (December 1971): 461-476., Denis Stairs, "Public and Policy-Makers: The Domestic Environment of the Foreign Policy Community", International Journal, Vol. 26, No. 1, (Winter 1970-71): 221-248., Cranford Pratt, "Canadian Policy towards the Third World: Basis for Explanation", Studies in Political Economy, No. 13, (Spring 1984): 27-55.

[205]Linda Freeman, "The Nature of Canadian Interests in black Southern Africa, (Unpublished Ph.D thesis, University of Toronto, 1978), pp. 51-52.

[206]Harley Dickinson, "Canadian Foreign Aid", in John A. Fry,

Caribbean, is likely applicable to Africa and other areas of Canadian aid activities. Dickinson contended that from the interests of and decisions reached by the Canadian International Development Board (CIDB), philanthropy is not a primary consideration in Canadian foreign aid policy. Those represented on the CIDB consist of diverse sectional interests.[207] As elaborated in the next chapter, they all serve and protect domestic interests. Only CIDA is left to argue for the interest of the developing countries. In practice, however, CIDA has more or less sacrificed its ability to do so to the same domestic interests. With all these interests in defence of economic benefits, the extent to which humanitarianism helps to inform Canadian aid policy appears very clear and limited. The International Humanitarian Assistance program embodies this limitation. Constituting about 3 percent of Canadian foreign aid allocation, it is set aside for meeting international emergencies. To this one could add, as discussed below, the rapidly shrinking grant element in Canadian aid. Otherwise the economic interest in foreign aid far outweighs altruism or humanitarianism. The next chapter examines this proposition in more detail.

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[206](cont'd) ed., Economy, Class and Social Reality, (Toronto: Butterworths & Co., 1979), pp. 97-149.

[207]See chapter one.

V. Economic Rationale for Aid

The primary objective of Canadian aid is ostensibly to promote the economic and social development in the Third World. According to many government policy statements, the basic motivation is humanitarian and altruistic. This justification even finds support in some academic views. In the previous chapter, it was established that humanitarianism is a rationale evoked by the government to retain public support for aid. It was also stated that economic interests might explain the motives of external aid better than philanthropy. This chapter analyzes the extent to which economic considerations serve to inform the formulation of aid policy. It is argued that the inconsistency between humanitarianism and tied aid serves a useful function in government calculations. Essentially, it is a convenient strategy in appealling to business and industry's support for the program. Tied aid funds and the arguments that support it provide the government with the necessary resources to meet the demands and interests of the private sector in using economic assistance for export and trade promotion.

This self-interested materialism has been exhibited from the inception of Canadian aid. From the beginnings of the program until 1970 bilateral aid was 100 percent tied to Canadian goods and services. It mattered less whether such goods and services actually contributed to the development of recipients. The practice of what is now the general rule,

rather than the exception, of subordinating commercial gains to the interest of the developing countries, started with the Colombo Plan. Projects were carefully selected, especially those that related to technical assistance. This was done in order to be certain that projects funded had adequate Canadian content.

In some cases, projects could be rejected "out of hand and right away" because no study was needed to determine their Canadian content. Nik Calvell, an experienced Colombo Plan administrator related his experience on the policy guiding such selections. He recounted:

> One project we were asked for ... was a fertilizer plant for India. This would have cost roughly $20 million and in Canada we do not make fertilizer plants--most of our fertilizer plants are built for us by other countries... So this would have been, first of all, a project in which Canada could not claim any expertise at all and secondly it would have been project for which the off-shore purchasing would have been very large indeed... So we turned it down.[208]

No matter how appropriate or urgent a project might be to the developmental plans of a recipient, it would only be considered if it could be filled by Canadian goods and services.

A similar policy prevailed in Commonwealth Africa. The emergence of this region from colonial status expanded the political and commercial focus for Canadian aid. As in Asia, Canadian foreign aid was not represented by barrels of dollars leaving Canada. It was given in Canadian goods and

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[208]Cited in James Eayrs, Canada in World Affairs October 1955 to 1957, (Toronto: University of Toronto Press, 1959), p. 202.

services. Africans, according to this thinking, could buy all the equipment needed for development "without the funds ever leaving Canada". Moreover, foreign aid as disbursed by the old External Aid Office (EAO) was such that only a small percentage of real aid got to these countries. The EAO emphasized trade and not necessarily aid. Donations, trade and corporate investments were activities passed off as foreign aid.

From the EAO's point of view, such practices were necessary to ensure that the government spent as little as possible on economic assistance.[209] The more private investment that could be passed off as foreign aid the less real aid Canada would make available to the developing countries. Private investment, in the words of the EAO:

> contributes to the attainment of the 1 per cent international aid target, 1 per cent of the gross national product, so that a private investment in a developing country reduces to that extent the pressure on the government to provide official funds.[210]

When such figures were quoted, the public and the international community were left with the impression that Canada was doing its fair share in international development. As discussed later, it became an issue on which the government had to defend itself, both domestically and internationally.

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[209]A. Raynauld et al., Government Assistance to Export Financing [A Study Prepared for the Economic Council of Canada], (Ottawa: Ministry of Suppply and Services, 1983), pp. 2-6.
[210]Quoted in Ibid, p. 4.

This practice of fake philanthropy was, however, not restricted to Canada. It prompted the Development Assistance Committee (DAC) of the Organization for Economic Development and Cooperation (OECD), in 1969, to seek ways and means of minimizing the problem. In this direction, the definition of foreign aid was reexamined. Normal economic transactions, private donations and corporate investments were to be categorically excluded.[211] The exclusion of these activities from aid calculation put pressure on the government to provide real aid to the developing countries. In 1970 foreign aid was untied by 20 percent. The Canadian International Development Agency (CIDA) was hence authorized to spend that maximum in the developing countries. The untying of aid by 20 percent in no way pleased Canadian business and industry. In their argument, the government was sacrificing their interest to the Third World. Their view of the government as "one of the best ... trade promotion organizations in the world" was now in question.[212]

To demonstrate to business that its interests were not ignored, the government continuously emphasized trade and export promotion. To this end, the External Affairs Department was "reorganized to better serve the Canadian businessman". Rather than continue to rely on recipient intitiative in requesting assistance, a Trade Commissioner

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[211]Refer to chapter 1 on the definition of foreign aid.
[212]This opinion was expressed earlier in the 'sixties. See Paul Martin, "Aid Programmes and the Business Community", Statements and Speeches, No. 38, (1966): 6.

Service was established.[213] Primarily, it was meant to improve the situation whereby recipients requested aid without adequate Canadian content, as this had in the past diminished the chances of potential recipients or specific projects being considered.[214] Consequently, some countries were not always able to use a major portion of their allocation. By 1974, for example, CIDA had a $400 million undisbursed balance. Even with the financing of unviable and non-developmental related projects, the problem persisted.[215]

In addressing this problem, the government, in 1977, introduced regulations stopping the practice of carrying over unspent allocations. They were henceforth allowed to laspe at the end of the fiscal year.[216] In addition, the Trade Commissioner Service allowed the government to attach trade officers versed in Canadian content regulations to foreign missions in all major Third World countries. As Linda Freeman indicated, the trade commissioners were charged with the specific responsibility of designing and promoting aid programs and projects requiring Canadian goods and services.[217]

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[213]Jean-Luc Pepin, "Trade Commissioner Service", Statements and Speeches, No. 7, (1970): 7.
[214]George Cunningham, The Management of Aid Agencies, (London: Overseas Development Institute, 1974), p. 130-132.
[215]Robent Carty and Virginia Smith, Perpetuating Povert: The Political Economy of Canadian Foreign Aid, (Toronto: Behind the Headlines, 1981), pp. 15-26.
[216]Ibid., p. 29.
[217]Linda Freeman, "The Effects of the World Crisis on Canada's Involvement in Africa", Studies In Political Economy, No. 17, (Summer 1985): 109-110.

The Investment Guarantee Scheme and CIDA's Business and Industry department were also created as government services to the private sector. Complementing one another, both organizations were mandated to provide business and industry with aid funds for export. At the same time they were also directed to make funds available to potential investors for investment surveys and feasibility studies.[218] Furthermore, in the search to reduce Canadian dependence on the American market, export to the Third World became a major emphasis for government trade policy.[219] Increasingly, the pursuit of commercial benefits became dominant in Canada's relations with the developing countries.

In spite of these and other "very complex trade negotiations which are carried out by the Government to ensure even better access to foreign markets",[220] more was often expected. This pressure, more pronounced at periods of economic recession than at other times, was actutely felt in the early seventies. The first oil shock in 1973 was accompanied by a cycle of recession, unemployment and inflation.[221] In the frantic efforts to find solutions to these problems, the government put on hold its commitments

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[218]Steven W. Langdon, Canadian Private Direct Investment and Technology Marketing in Developing Countries [A Study Prepared for the Economic Council of Canada], (Ottawa: Ministry of Supply and Services, 1980), p. 44.
[219]See Canada, External Affairs, Foreign Policy for Canadians, (Ottawa: Information Canada, 1970), pp. 38-39.
[220]Jean Luc Pepin, "Trade Commissioner Service", op. cit., p. 7.
[221]For an account of this period see the Economic Council of Canada, Twentieth Annual Review: On the Mend, 1983, (Ottawa: Ministry of Supply and Services, 1983), pp. 40-43.

to Third World development rather than risk having business and industry withdraw their support for the aid program. This was particularly evident in the government's attempt to introduce the generalized system of tariff preferences to benefit the exports of the less-developed countries.

Opposition from the private sector forced the government to limit the scope of its review. The sectors in which the Third World were most competitive were excluded from the list. A whole range of products like rubber footwear, textiles and other labor intensive goods never came under review.[222] Consequently, the higher tariffs and restrictive quotas on products from developing countries remained. By 1972 calculations, such tariffs averaged 14.5 percent. The study done by G. Yadav, suggested that tariffs ranged from a low of 3.2 percent where the Third World was virtually non-competitive to a high of 21.8 percent in sectors where it was most competitive.[223]

Although the government was supposedly committed to trade liberalization, it claimed that trade and investments matters were activities "whose primary considerations lie outside the Canadian development assistance program".[224] Yet

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[222]North-South Institute, North-South Relations/1980-1985: Priorities for Canadian Policy [A Discusion Paper Prepare for the Special Committee of the House of Commons on North-South Relations], revised ed., (Ottawa: North-South Institute, November 1980), pp. 30-35.

[223]G. Yadav, "Discriminatory Aspects of Canada's Imports of Manufactured Goods from the Less Developed Countries", Canadian Journal of Economics, Vol. 5, No. 1, (February 1972): pp. 70-83.

[224]Quoted in North-South Institute, In the Canadian Interest?: Third World Development in the 1980s, (Ottawa: North-South Institute, 1980), p. 42.

development assistance was tied to Canadian goods and services. The same development aid provided funds for investment surveys and feasibility studies. Moreover, with such statements, the government contradicted its own declarations. Paul Martin, Secretary of State for External Affairs, for example, argued in 1964 that the developing countries' reliance on the export of their manufactured goods should be accorded importance by all those who were genuinely interested in fostering economic progress in the Third World.[225] In 1970 Jean-Luc Pepin, Minister of Industry, Trade and Commerce strongly expressed the same views. Quoting Lester Pearson, he stated:

> There is little logic in encouraging growth in developing countries through aid and other measures while imposing barriers against imports of products they can appropriately produce on competitive scale.[226]

In this direction, the international development aid doctrine or Strategy proclaimed in 1975 raised some hopes. The theme once again was concern for the plight of the developing countries. Unlike the generalities of the 1970 foreign policy Review, the Strategy committed itself to some specifics. Among others things, the government pledged to

> liberalize CIDA procurement regulations by immediately untying its bilateral development loans so that developing countries would be eligible to compete for contracts, (as well as) untying aid funds to other donor countries in select cases where this can demonstrably bring significant results to

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[225]Paul Martin, "The Challenge of Underdevelopment", op. cit., p. 5.
[226]Jean-Luc Pepin, "Canada's Trade with Developing Countries", Statements and Speeches, No 16, (1970): 2.

the development program.[227]

But as the domestic implications unfolded, the government started backing off. To be particularly affected were the Canadian Manufacturers Association and the Canadian Export Association, whose members relied on foreign aid contracts for exports to the Third World.[228] Were these policies implemented, it might mean the end of their fragile presence in Third World markets. No sooner were these proposals known to business and industry, then the government came under intense criticism.[229]

With their influence, the private sector mounted a strong opposition to the implementation of the policy. What transpired between business and the government was not made public. The results were, however, evident. The pressure forced the government to retract. According to Bernard Wood, "domestic criticism and concerted pressure from business and labour ultimately became irresistable ...".[230] As a result, the government would rather restrict than liberalize trade for the developing countries. Later in the year, 1976, further stringent measures were taken against products from

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[227]CIDA, Strategy for International Development Cooperation 1975-1980, (Ottawa: Ministry of Supply and Services, 1975), p. 32.

[228]Linda Freeman, "The Effect of the World Crisis on Canada's Involvement in Africa", op. cit., pp. 114-116.

[229]It has been suggested that Paul Gerin-Lajoie, the president of CIDA, informed business before the policy was released. See Sheldon Gordon, "Canadian Aid Policy: What's in it for Us", International Perspectives, (May/June 1976): 24.

[230]Bernard Wood, "Canada and Third World Development: Testing Mutual Interests", in Robert Cassen et al, eds., Rich Country Interests and Third World Development, (London: Croom Helm Ltd., 1982), p. 116.

the developing countries. "A much tougher line" of tariffs and quotas were imposed.'Tariffs were increased and quotas introduced in sectors where none existed. Furthermore, many developing countries were negotiated into taking additional export restrictive measures, "voluntary" restraints, as they were labelled. "Over time a widening range of countries ..., textile and apparel products have been restricted".[231] In a preliminary assessment made by the North-South Institute in 1977, it was revealed that all attempts to untie the procurement regulations were not even past procedural negotiations between government and business. According to this evaluation, they were "bogged down in debate over rules and guidelines".[232] Given this apparent contradiction, Gerald Helleiner rightly concluded that while Canada "continues to speak the same general rhetoric of liberalized trade ... the government continues to erect further barriers".[233]

These measures against Third World products, in the view of business and industry , were not even enough. They would have prefered one hundred-percent tied aid and maximum tariff barriers and quotas. Since the creation of CIDA, they argued, the government had stopped consulting their interests in designing aid programs. Third World

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[231]North South Institute, In the Canadian Interest?, op. cit., p. 49.
[232]Ibid., p. 14.
[233]Gerald K. Helleiner, "Prospects and Perspectives for Canada and the Third World", in John H. Adams, rapporteur, Obstacles and Opportunities [Proceedings of the North-South Institute Symposium], (Ottawa: North-South Institute, 1981), p. 26.

development, they claimed, had been given priority without first considering how they accorded with trade and export promotion. This argument readily found support in their ally in government, the Department of Industry, Trade and Commerce (IT&C). According to IT&C, "the projects and programs given priority are those of a social and developmental character which tend to be least adapted to inputs of Canadian goods and services of major commercial interests".[234] What IT&C and the private sector would like to see were projects in sectors such as communications, transportation and hydro-energy. These were areas capable of absorbing significant amounts of foreign aid funds.[235] And to finance exports in these sectors they needed CIDA's development funds. By hook or crook they were out to get it.[236]

The Canadian International Development Agency, supposedly, the guardian of Third World interests, was not unreceptive. An internal memorandum in 1977 supported this claim. It indicated that in "planning future programs and selecting sectors of concentration, due consideration should be given to Canadian supply, and especially to Canadian

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[234]Robert Carty, "Giving for Gain: Foreign Aid and CIDA", in Robert Clark and Richard Swift, eds., Ties that Bind: Canada and the Third World, (Toronto: Behind the Headlines, 1982), p. 168.
[235]Peter Wyse, Canadian Foreign Aid in the 1970s: An Organizational Audit, (Montreal: Centre for Developing-Area Studies, McGill University, 1983), p. 9.
[236]See an address by James Whiteside, IT&C official, to a business community in Toronto, in Robert Carty, "Giving for Gain: Foreign Aid and CIDA", p. 169.

commercial priorities".[237] The promotion of commercial interests was not, however, a new practice in Canadian aid. What raised eyebrows was the overt contradiction of stated government policy.

Contrary to written policy, the document proposed that "new CIDA programs were not to be initiated in the poorest countries, because these afford few opportunities for Canadian commercial priorities".[238] As the president of CIDA later argued, such rationale was perfectly in the spirit of free enterprise. He stated:

> In a competitive free market system, there is always someone who loses and regrettably the underdeveloped countries have been the consistent losers in terms of trade negotiations, monetary reform and other international agreements for many years.[239]

To satisfy commercial interests it made good business sense to invest and trade with those countries with the required absorptive capacity. Consequently, CIDA made no effort "in moving towards authorized levels of untying aid".[240]

No matter how urgent or necessary a project might be to the developmental plans of the Third World countries, CIDA would only respond if and when such a request could be filled in Canada. Or at best, as Patricia Adams and Lawrence Solomon noted,

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[237]Linda Freeman, "The nature of Canadian interest in black Africa", (Unpublished Ph.D dissertation, University of Toronto, 1978), p. 82.
[238]Ibid.
[239]Cited in Ibid., p. 85.
[240]Kathryn McKinley and Roger Young, Technology and the Third World: The Issues and the Role for Canada, (Ottawa: North-South Institute, 1979), p. 49.

> the Third World would be ... forced to settle for something that almost does the job... because Canada won't give foreign aid to developing countries in the form of cash; Canada wants to make sure that the Third World buys Canadian.[241]

Irrespective of government statements, the interests of the developing countries appeared secondary in aid policy formulation. Cranford Pratt concluded:

> By mid-1978, the Cabinet had agreed that Canada's primary interest in relations with the developing countries were economic and that as far as possible, increased emphasis should be placed on the systematic expansion of Canada's economic relations with a limited number of large and fairly wealthy developing countries.[242]

In the later part of 1978 authority was accorded business and industry to formalize its views on Canada Third World foreign aid relationship. Under the Chairmanship of Roger Hatch, the government convened a committee with the mandate to examine how the government could better serve business interests. The Export Promotion Review Committee, as it was called, made a series of recommendations in its report. First and foremost, it viewed with absolute disfavor CIDA's direction. As earlier stated by business, CIDA was accused of emphasizing development to the neglect of trade and export promotion.[243] "In view of the business community, the report stressed, "CIDA has ... taken an overly

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[241]Patricia Adams and Lawrence Solomon, In the Name of Progress: The Underside of Foreign Aid, (Toronto: Energy Probe Research Foundation, 1985), p. 51.

[242]Cranford Pratt, "Canadian Policy towards the Third World: Basis for Explanation", Studies In Political Economy, No. 13, (Spring 1984): 45.

[243]John H. Adams, Oil and Water: Export Promotion and Development Assistance, A Critique of the Hatch Committee Report, (Ottawa: North-South Institute, 1980), pp. 9-32.

philanthropic approach to aid".[244] What the private sector wanted was "less altruism" in the aid program. It proposed that the government should as a matter of priority concentrate on ways of making foreign aid a secure base for trade promotion. It also recommended that aid funds should be made readily available to the business community for export financing. As could be expected, the Committee strongly endorsed tied aid and even advocated its intensification.[245] If possible the whole aid program should be tied to Canadian goods and services.

According to IT&C, there seemed to be no reason why aid was untied in the first place. As one official viewed the proposed liberalization policy of 1975, "the people at CIDA either have their hearts on their sleeves or are so far left that they make Marx look like a fascist".[246] Whatever government aid policy might be, business interests must be accommodated. As Trudeau experienced, they were the loudest voices in society. To ignore them would be to antagonize them.[247] Especially, in periods of economic recession, they must be listened to. Their interests became predominant in government policy to the extent that by 1980 most assessments of Canada's relations with the developing countries suggested one conclusion: that the interest of the Third World had been largely sacrificed to commercial

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[244]Quoted in Ibid., p. 22.
[245]Ibid., p. 24.
[246]Cited in Robert Carty and Virginia Smith, op. cit., p. 43.
[247]Ibid.

benefits.

The Task Force on North-South Relations commented on the issue with regret. It noted that CIDA had not strived to utilize the untied portion of aid to the benefit of the developing countries. Instead, the emphasis had been an increased shift of aid funds to developing countries with high absorptive capacity for Canadian goods and services.[248] In its Final Report in 1980, the North-South Institute reached a similar conclusion. It found that the issue of trade liberalization for the developing countries had not progressed past the stage of discussing procedures and guidelines. To its dismay, "absolutely no substantial progress was made in the untying of procurement for any of the recipient countries".[249] In the same period, another study indicated that tariffs against products from the developing countries still averaged about 15 percent. The lowest, on the other hand, had increased to 11.6 percent. And in some sectors tariffs were as high as 26 percent.[250]

The recession in 1982 further intensified the search for economic advantage.[251] As in every such period,

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[248]Canada, House of Commons, Parliamentary Task Force on North-South Relations, Report to the House of Commons on the Relations Between Developed and Developing Countries, 1980, (Ottawa: Ministry of Supply and Services, 1980), pp. 39-40.
[249]North-South Institute, In the Canadian Interest?: Third Development in the 1980s, op. cit., p. 14.
[250]Vittorio Corbo and Oli Havrylyshyn, Canada's Trade Relations with Developing Countries: The Evolution of Export and Import Structures and Barriers to Trade in Canada [A Study done for the Economic Council of Canada], (Ottawa: Ministry of Supply and Services, 1980), pp. 76-77.
[251]For a description see Canada, Dept of Finance, Economic Review: April 1982, (Ottawa: Ministry of Supply and Services, 1982), pp. 31-32.

government policy was regarded as holding the key to economic recovery. The private sector, on the other hand, was considered the vehicle of recovery. For the government, the solution was increased overseas trade and export. Once more the Department of External Affairs was reorganized. Gerard Regan, the Minister of State for International Trade explained:

> The real key objective of the reorganization was to focus more attention on commercial matters in our foreign policy and to see to it that not just our trade commissioners but everyone abroad in the service of Canada contributes to Canadian sales.[252]

As in the past, the needs or interests of the developing countries had not been the overriding criteria. To the Departments and Ministries responsible for aid expenditures, it "was simply another channel of attractive financing for the promotion of exports ... and for the development of new Canadian markets".[253] If Canada had what they needed, all well and good. Otherwise, they would have to wait untill such goods and services were available. At best, they could settle for something that would almost do the job. An examination of the Canadian International Development Board, the body that deliberates on foreign aid policy reveals why such tends to be the case. As earlier noted, the Board consists of diverse sectional interests who are not necessarily concerned with the welfare of the developing countries.

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[252]Quoted in Linda Freeman, "The Effect of the World Crisis on Canada's Involvement in Africa", op. cit., p. 109.
[253]North-South Institute, In the Canadian Interest: Third World Development in the 1980s, op. cit., p. 55.

Principally, the IT&C serves the interest of Canadian manufacturers. The EDC that of exporters. The Ministry of Finance, as is usual, is preoccupied with balancing the budget. The Treasury Board and the Bank of Canada are more concerned with trade deficit and international balance of payment problems.[254] Of these Departments, IT&C, External Affairs and Finance "generally have the dominant influence in ... policy". Moreover, "they often control the proceedings through a combination of expertise, fiscal control, and historical functional responsibility and political leverage".[255] As made clear above, CIDA, by its practice, already conceded its power to argue for the interest of the developing countries.

In 1984, it was Pierre Trudeau's Under-Secretary of State for External Affairs reassuring the Canadian Export Association. In different words, he told the exporters that there were "no higher priorities for the Department of External Affairs than export development ...".[256] Accordingly, the government would create an Aid-Trade Fund as requested by the business community. As Marc Lalonde explained, the purpose of the Fund was two-fold. It would provide Canadian exporters "with an opportunity to offer Third World importers competitive financing packages".

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[254]Harley Dickinson, "Canadian Foreign Aid", in John A. Fry, ed., Economy, Class and Social Reality, (Toronto: Butterworths & Co., 1979), pp. 97-149.
[255]Benard Wood, "Canada and Third World Development: Testing Mutual Interests", op. cit., p. 103.
[256]Cited in Linda Freeman, "The Effect of the World Crisis on Canada's Involvement in Africa", op. cit., p. 110.

Undoubtedly, every cent of it would be tied to Canadian goods and services. Moreover, the Fund would "increase Canadian assistance to developing countries" without increasing real aid.[257]

In reality this system of "credit mixte" was not new in Canadian aid practice. As mentioned earlier, it was practiced by the old External Aid Office in the sixties. Although not a formal policy under CIDA, aid funds were often used for this purpose when project financing overlaps with the Export Development Cooperation. And with greater frequency, these areas of overlap were sought.[258] The increased levels of aid to the developing countries in the 1970s provided an indication. In most cases, they were increases in export financing.[259] Replacing grants in many instances, they were reported as aid. In one estimate, Canada's "grant funds, the most concessionary form of allocation, ... decreased from 81.1 per cent in the period 1965/66-1967/68 to 49.4 per cent for 1971/72-1973/74".[260] By 1976 Canada's trade surplus with its "aid partners" had increased substantially. By CIDA's account, "trade surplus rose from $272 million in 1973 to $655 million in 1975".[261]

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[257]External Affairs, International Canada, (April/ May 1984): 18.
[258]Harley Dickinson, "Canadian Foreign Aid", op. cit., pp. 128-132.
[259]W.T. Hunter, Canada's Role in Foreign Aid, (Toronto: Collier-Macmillan Canada Ltd., 1972), p. 14.
[260]Peyton V. Lyon and Brian W. Tomlin, Canada as an International Actor, (Toronto: Macmillan of Canada Ltd., 1979), p. 144.
[261]House of Commons, SCEAND, "International Development" [Minutes of Proceedings and Evidence of the Sub-Committee], 13th Parliament, 2nd Session, (1976-77): 9:26.

Africa's contribution to this increase was phenomenal. In 1971 Africa received only 2.6 percent of export finance worth $11 million. By 1974 it was no less than 10 percent with a value of $44 million.[262] Since no percentage of export credits was untied, all was spent on Canadian goods and services. Export credit or not, it was calculated as bilateral aid. By 1984, Canada's trade surplus with Africa alone outstripped that of the developing countries combined in 1976. With the exclusion of South Africa, Linda Freeman's calculations put it at $2.8 billion.[263] Exports to Africa "tripled in the five years after the first oil shock in 1973 and again in the five years after the second oil shock in 1979".[264]

However, the rise in trade surplus was not due to the particular efforts of business and industry. It was dependent on the "Canadian government's willingness to get into the export "war" ... on behalf of its business and industry".[265] In essence this involvement served two major purposes. In the first place, it provided the government with a strategy for satisfying private sector demands for allocation of more aid funds for trade and export promotion. On another level, the surplus of trade with Africa and the rest of the developing world enabled the government to

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[262]Steven Langdon, "Canada's Role in Africa", in Norman Hillman and Garth Stevenson, eds., A Foremost Nation: Canadian Foreign Policy and a Changing World, (Toronto: McClleland & Stewart Publishers, 1977), chapter 8.
[263]Linda Freeman, "The Effect of the World Crisis on Canada's Involvement in Africa", op. cit., pp. 113-114.
[264]Ibid., p. 114.
[265]Ibid., p. 116.

offset a percentage of its international balance of payments deficit.

Nonetheless, most analysts reviewed in this study argue that foreign aid is of no economic benefit to Canada. Keith Spicer, Peyton V. Lyon, Peter Wyse, Stephen G. Triantis and Grant L. Reuber all hold this view. They claim that it is no more than giving Canadian goods and services to the developing countries gratuit. In their contention, it is inflationary. It also increases Canada's international balance of payment deficits. Furthermore, they estimate that the millions of dollars allocated to development assistance could be better utilized in other sectors of the Canadian economy. Such alternative use, they maintain, would create an equal number or more jobs as tied aid and generate the same or higher levels of export.

It may be correct to argue that funds allocated to foreign aid could be invested in other programs for the same economic results. However, the claims that foreign aid is of no economic benefit to Canada could be exaggerated. Analyzed within the context of available studies, Canada is not worse off. According to the OECD, it is obvious that exports resulting from aid, especially when it is tied, cannot be dismissed as lightly as most observers do.[266] The Pearson Report argued a similar point. It stated that because "most bilateral aid is tied to purchases in the suppling country

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[266]OECD, Development Cooperation: 1975 Review, (Paris: OECD, 1975), p. 103.

(it) helps to promote more production and exports ..."[267] Canadian decision makers often maintained that "80 to 90 percent of Canadian aid is spent in Canada and on Canadian goods, commodities and services.[268] In the fiscal year 1973/1974, for example, a study indicated that CIDA would be "responsible for the maintenance of over 48,000 man-years jobs". That was after placing "7,564 contracts with Canadian firms".[269] Although estimates may vary from one study to the other, the average, however, appeared quite substantial for an activity that is deemed of no economic benefit.[270]

But it cannot be denied, as these authors and others point out, that Canadian aid contracts are monopolized by a few manufacturers and companies. A study by the Canadian Treasury Board confirmed this. The report observed that only a very small percentage of Canadian industries "profit from the monopolistic position in which tied aid has put them, and within these industries, only a few companies appear to reap the lion's share of those monopoly benefits".[271] On the other hand, irrespective of which industries monopolize tied aid contracts or which companies reap the lion's share, the

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[267]Lester Pearson, Partners in Development: Report of the Commission on International Development, (New York: Praeger Publishers, 1969), p. 141.
[268]Paul Gerin-Lajoie, in Robert Carty and Virginia Smith, op. cit., p. 95.
[269]Ibid.
[270]See Peter Wyse, Canadian Foreign Aid in the 1970s: An Organizational Audit, (Montreal: Centre for Developing Area Studies, McGill University, 1983), p. 3.
[271]Cited in Patricia Adams and Lawrence Solomon, op. cit., p. 55., For a list of these industries and companies, see Robert Carty and Virginia Smith, op. cit., p. 98.

fact remains that the largest proportion of aid funds is spent in Canada on Canadian goods and services.

Whether the company or manufacturer is located in Ontario, Quebec or British Columbia, it contributes to the overall economy employing Canadians. Be it a strategy to bail out a failing DeHavilland aircraft, to subsidize a Baker Perkins company or to keep the generally uncompetitive enterprises from laying off its workers, do not diminish the benefits. Douglas Roche maintains:

> It would not be difficult to make the case that the $3.6 billion Canada has spent on international development in the past twenty-five years has helped the domestic economy by at least an equivalent amount when added employment, personal and corporate income tax, disposal of surpluses, and development of new trading partners are considered.[272]

Carty and Smith add that the "portion of foreign aid spent in Canada is not a loss, but rather a recirculation or relocation of money within the domestic economy".[273]

Accordingly, the conclusion that foreign aid causes a balance of payments deficit is highly exaggerated. The technicalities of balance of payments are such that many factors that ought to be taken into consideration are often ignored. The OECD has noted that in most calculations of balance of payments deficit, the interest receipts on the repayments of earlier loans, "amounting to six or seven per cent of total net ODA" are not usually reflected. By the same token, "some aid-financed services such as training

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[272]Douglas Roche, Justice not Charity: A New Global Ethics for Canada, (Toronto: McClleland & Stewart Ltd., 1976), p. 76.

[273]Robert Carty and Virginia Smith, op. cit., p. 95.

grants or technical services never enter into the balance of payments at all".[274]

With specific reference to Canada, a study by W.G. Huff argued from a similar point of view.[275] Huff contended that the portion of tied aid is large enough to compensate for the little amount that might be spent outside Canada. This assessment has been supported by government sources. In a conclusion reached by the Sub-Committee on International Development, Canada's "overall economic relations with the developing countries favour Canada far more than Canadians generally recognize".[276] The Treasury Board report, cited above, and the Economic Council of Canada expressed parallel opinions.[277]

In both analyses, aid could be untied beyond its present level with a negligible effect on Canada's balance of payments deficit. However, the representation of foreign aid in the balance of payment problems is not without its rationale. Huff concluded:

> In a fundamental sense the balance of payments ground for tying aid is an argument for avoiding the loss of real income that would follow if the aid transfer did not give rise to a matching demand for

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[274]OECD, Development Cooperation: 1975 Review, op. cit., p. 103.
[275]W.G. Huff, "Canadian Bilateral Aid: Canadian Content and Balance-of-Payments Cost", Journal of World Trade Law, (Sept/Oct 1973): 587-597.
[276]House of Commons, SCEAND, "International Development", op. cit., p. 9:26.
[277]Canadian Treasury Board, cited in Patricia Adams and Lawrence Solomon, op. cit., chapter 4., Economic Council of Canada, For a Common Future: A Study of Canada's Relations with Developing Countries, (Ottawa: Ministry of Supply and Services, 1978), pp. 104-108.

imports.[278]

Viewed within the context of the high cost of Canadian goods and services the point is essentially valid. Of all the authors, reports and studies cited above none estimated less than 15 percent as overcost for Canadian goods and services. Some even put it as high as 30 percent. In terms of personnel, Clyde Sanger calculated that a developing country would get one Canadian expert for the price of two from Britain. From another part of the Third World, it could be three.[279]

The government is not unaware of the cost of its aid to the developing countries but, has had to respond to economic interests at the expense of its commitment to development in the Third World. This is especially true during periods of economic austerity. As Roger Young affirmed,

> the continued existence of Canadian content requirements in bilateral aid allocations is a reflection of (domestic economic interests concerns and their) success in communicating these interests to Canada's aid policy makers politicians and public servants".[280]

It is a question of moral imperatives giving way to economic interest. The government has never disagreed with such a rationale. In one recent instance, the government stated that "a substantial degree of tying appears to be a

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[278]W.G. Huff, op. cit., p. 587.
[279]Clyde Sanger, "Canada and Development in the Third World", in Peyton Lyon and Tareq Y. Ismael, eds., Canada and the Third World, (Toronto: Macmillan of Canada Ltd., 1976), pp. 290-291.
[280]Roger Young, Canadian Development Assistance to Tanzania: An Independent Study, (Ottawa: North-South Institute, 1983), p. 42.

prerequisite for effective public support for the Canadian aid program.[281]

It is clear that unlike the public interest groups, business and industry have clout. From the point of view of the private sector, foreign aid funds should be put at its disposal in the form of trade and export promotion. So far, it has been ~~lar~~gely successful in keeping foreign aid tied to the purchase of Canadian goods and services. This is demonstrated in failed government attempts to liberalize the terms of procurement for Third World countries. The government is not prepared to antagonize important and powerful domestic interests in order to satisfy the needs of the peoples of some distant lands where no business contributes to election campaigns nor votes are sought. After all, as Flora MacDonald, Joe Clark's Secretary of State for External Affairs, clearly stated, "our (the government's) obligation is to our own people--the people who elected us".[282]

Evidently, as long as the government needs corporate support for the aid program, business and industry would not fail to communicate their interest to the government. And the resources at their disposal and a permanent and daily access to the corridors of power[283] have, so far, allowed

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[281]CIDA, Annual Aid Review 1982 [Memorandum of Canada to the Development Assistance Committee of the Organization for Economic Co-operation and Development], (Ottawa: Ministry of Supply and Services, 1984), p. 11.
[282]Cited in Warner Troyer, 200 Days: Joe Clark in Power, (Toronto: Personal Library Publishers, 1980), p. 122.
[283]Don Jamieson, "The Role of Government in Promoting and Protecting the Interest of the Canadian Business Community

them to do so effectively. This should not, however, lead to the simplistic conclusion, as has often been the case, that the government is the "hand maiden" of business and industry.[284] Designing foreign aid to meet the demands of domestic economic interests is the government's technique for retaining the support of this group for the program. Tied aid, as analysis suggests, is the price paid to business and industry in exchange for their continous support. In and of itself, self-interested materialism is insufficient to account for the hundreds of millions of dollars that the government of Canada allocates for international development assistance. Political motives occupy a higher level of influence in foreign aid policy formulation. This proposition is argued in the following chapter.

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[283](cont'd) in the Changing World Economy Environment", Statements and Speeches, No. 6, (1979): 4.

[284]It would be interesting, however, to see how the private sector is going to fight a proposed legislation design to control government lobbists. For a discussion of the legislation as proposed by Michel Cote, Consumer and Corporate Affairs Minister, see "The Power Brokers", Macleans, Vol. 99, No. 8, (February 24, 1986): 14ff.

VI. Political Motives of Aid

It was argued in chapter five that the funds allocated to the International Humanitarian Assistance program and emergency relief activities constituted the extent of Canada's philanthropy. Evidence suggests that humanitariansm is no more than a justification for retaining public support for foreign aid. Chapter six contended that tied aid has provided the government with the support of business and industry. Thus separately or combined, neither humanitarianism or economic self-interest is the rationale of the utmost importance in accounting for Canadian aid policy.

This chapter intends to show that the Cold War atmosphere, akin to "wartime psychology", which gave rise to foreign aid as a political weapon has changed. In an environment less marked by a state of perpetual warfare, anti-communism has lost its crusading force. The motives that help to inform Canadian foreign aid policy, however, remain political, but of a different nature. Foreign aid, as presently practiced, provides Canada with the means to acquire diplomatic credit and communicate with the developing countries.

However, these aspects of Canada's relations with the Third World "are not entirely a matter of free choice".[285] They are constrained and come with obligations. In the first

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[285]Economic Council of Canada, For a Common Future: A Study of Canada's Relations with the Developing Countries, (Ottawa: Ministry of Supply and Services, 1978), p. 31.

place, government policy has to be consistent with domestic exigencies. On the international spectrum, it has to conform to the realities of the prevailing world order. Canada's military alliance with the Western nations, particulary the United States, is one major element that always has to be taken into consideration. Membership in internatioanl organizations like the United Nations also has its moral force. The special relations with Britain and other Commonwealth states is also a factor of considerable influence. These factors were all influential in getting Canada to support measures to contain Soviet expansionism.[286] But once Canada had become committed to the communist crusade, there was no turning back.

Anti-communism precipitated Canada's formal involvement in the politics of bilateral aid to the developing countries. This started with the Colombo Plan in 1950 and followed a similar shift in American and British policies. These measures were not necessarily forged as genuine instruments to redistribute wealth. The policies were designed as weapons for the "war over men's minds".[287] Foreign aid, as President Kennedy stated, was devised as an instrument of foreign policy with which the alliance of the poor countries could be bought.

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[286]David B. Dewitt and John J. Kirton, Canada as a Principal Power, (Toronto: John Wiley & Sons 1983), pp. 53-54. See also Douglas G. Anglin, "Canada's External Assistance Programme", International Journal, Vol. 9, (Summer 1954): 193-207.

[287]Robert Carty and Virginia Smith, Perpetuating Poverty: The Political Economy of Canadian Foreign Aid, (Toronto: Behind the Headlines, 1981), p. 40.

Consequently, it was regarded as a blow for for the West for the emerging Third World nations to belong to the Soviet bloc. The Communist victory in China in 1949 only heightened the urgency of the threat. The whole of Asia was seen to be at stake. The threat was not to be taken lightly. The expansion of communism into Eastern Europe was real and too recent to be forgotten. The United States as the leader of the Western alliance was also the chief architect of its policy. In formulating the West's anti-Communist strategy, it took for granted that:

> a comprehensive and sustained program of American economic assistance aimed at helping the free under-developed countries to create conditions for self-sustaining growth can, in the short run, materially reduced the conflict triggered by aggressive minor powers, and can, say in 2 to 3 decades, result in an overwhelming preponderance of societies with a successful record of solving problems without resort to coercion or violence. The establishment of such a proponderance of stable, effective and democratic societies gives the best promise of favorable settlement of the Cold War and a peaceful, progressive world environment.[288]

Based on the Marshall Plan and its success in Western Europe, foreign aid came to be regarded as the concrete solution to underdevelopment. It was seen to have created wealth and maintained democracy and capitalism in Europe. Errorneously, it was put forward as the model for Third World development. Canada accepted it. As Western political leaders declared, communism must be conquered by all available means. Canada and the rest of the Western nations

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[288]Cited in Joan Edelman Spero, The Politics of International Economic Relations, (New York: St. Martins Press, 1967), p. 168.

must demonstrate that it was they and not the Russians who stood for the political and economic liberation of the Third World. To this effect, Prime Minister John Diefenbaker told Canadians that Canada needed a fifty million dollar insurance against communism.

The use of foreign aid in the search for allies was, however, not confined to Canada nor to the West. After the death of the Soviet leader, Joseph Stalin, in 1953, it appealed to the Russians as well. The new breed of leaders were less dogmatic in their world outlook. They were willing to go beyohd Stalin's communism in one country, Russia. They intended to extend their political influence beyond their immediate borders. They now saw advantages in participating in United Nations activities. Contributions were made to multilateral assistance programs, which before then held little interest for the Soviets.[289] In no time, Russia was into the politics of bilateral aid relations. A series of trade arrangements were signed with countries outside of Eastern Europe. Before long, diplomatic relations were established. In Asia, India, Indonesia, and Afghanistan, among others, became recipients of Soviet aid.[290]

By the latter part of 1955 the Soviets had moved into the Middle East. In a political coup d'etat, arrangements were concluded with Egypt for Russian financing of the

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[289]Jaap Van Soest, The Start of International Development Cooperation in the United Nations 1945-1952, (The Netherlands: Van Gorcum Assen, 1978), pp. 10-14.
[290]Robert S. Walters, American and Soviet Aid: A Comparative Analysis, (Philadelphia: University of Pittsburgh Press, 1970), pp. 26-48.

contentious Aswan High Dam.[291] In the same year agreements were also signed with Syria for building a steel plant financed by Soviet aid. Various other projects were to be undertaken with economic assistance.[292] In a policy statement in 1956, Nikita Khruschev, the new Soviet Premier, confirmed Soviet intentions. Like the West, he made it evident that the USSR would give prominence to foreign aid in the search for allies in the East-West conflict. Khrushchev stated:

> although (the Third World) do not belong to the Socialist world system, they can draw on its achievements in building an independent national economy and in raising their people's living standards. Today they need not go begging to their former oppressors for modern equipment. They can get it in the Socialist countries, free from any political or military obligations.[293]

Essentially, this meant the Soviets had come out of isolation. They had discovered the foreign aid weapon which they intended to use to maximum effect. Moreover, unlike Stalin, Khrushchev was not ready to confine its use to any specific region. It would be used across the breadth and depth of the underdeveloped world.

So forceful was the Soviet aid strategy that Lester Pearson was forced to comment in 1956, that he could not imagine any Western nation meeting with the same degree of

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[291]The politics of the Aswan High Dam financing is discussed in Marshall I. Goldman, Soviet Foreign Aid, (New York: Fredrick A. Praeger, Publishers, 1967), chapter 3.
[292]For a general view of Soviet foreign aid activities in the Middle East and beyond, see V.A. Martynov, "Soviet Economic Aid to the Newly Liberated Countries", in Institute of Public Administration, Problems of Foreign Aid, (Dar es Salam, Tanzania, 1964), pp. 69-77.
[293]Robert S. Walters, op. cit., p. 30.

success in such a short period of time as the Russians. In awe, Pearson declared:

> whatever its motives may be, the Soviet Union seems to be trying to make up for lost time. Already they have made important economic deals with Egypt, India, Syria, Indonesia, Afghanistan, Burma, the Sudan, and Yemen. These various offers and proposals have been made with such shrewdness, and have often been so tied up with political appeal, that they received publicity in the under-developed countries out of all proportion to their importance in economic or assistance terms. The Soviet Union has been trying with skill, determination and irresponsibility--and with too much success--to get the maximum of political advantage from its operations; in certain areas it seems to have gained more in popular appeal from its mere offers than the West has gained from its much more generous plans and far greater accomplishments over a much longer period of time.[294]

The success of these newcomers to the politics of foreign aid baffled Pearson.

However, one should be little surprised at Soviet gains. They had decisive advantanges to which no Western liberal democracy could lay claim. According to James Eayrs, the Soviet leaders could call upon the "immense human and material resources of Soviet society with a ruthlessness and dispatch unattainable in a democracy".[295] Moreover, as Pearson later discovered:

> Soviet worries about public opinion are minimal. If political advantage so indicated, they could export, and in the past have exported, food and other materials even if their own people were in short supply. They can, and do in negotiating trade or commercial arrangements, make loans on easy terms without regard to economic considerations, and they have provided capital goods at less than cost price.

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[294]Cited in James Eayrs, Canada in World Affairs, October 1955 to June 1957, (Toronto: Oxford University Press, 1959), p. 211.

[295]James Eayrs, Ibid, p. 212.

> They are also prepared to accept commodities from their customers abroad, even though these commodities are of no great importance to them ... The Soviet Union can also accept and use many of the surplus raw materials which the under-developed countries are anxious to sell--for example rice, cotton, sugar and beef--while in the West, we have our own serious surplus problems .... [296]

In addition, given the history of Western imperialism, Soviet rhetoric held enough attraction for the Third World countries. As Khrushchev stated, Soviet foreign aid had "no political, economic nor military strings attached to it". Other Russian leaders were known to have made similar declarations. Leonid Brezhnev, for example, is quoted as saying that the USSR in giving economic assistance "does not look for advantages, does not hunt for concessions, does not seek political domination, and is not after military bases".[297] Whether this could be true in practice would be another question. But it has always been clear that what mattered most in a propaganda war had been the success at discrediting one's opponent. And for all political purposes, propaganda was a major weapon in the Cold War.

The war advanced to Africa in the late 'fifties. The Commonwealth African nations were in the process of gaining independent status. Accordingly, the East-West rivalry shifted. As in Asia, foreign aid was the most visible instrument of policy. As a member of the Western alliance, Canada had a part to play. And because of Britain's direct involvement, Canada's role became especially important. This

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[296]Quoted in James Eayrs, p. 212.
[297]Cited by Guy Arnold, Aid in Africa, (London: Kogan Page Ltd., 1979), p. 100.

role cannot be contextually understood, however, without reference to British leadership in Commonwealth Africa.

British decolonization in Africa was precipitated at a time when Her Majesty's Government was least prepared for it. This is not to suggest that Britain had in no way envisaged granting independence to its colonies; only it was never planned for the 'fifties nor 'sixties, but for an indeterminate future.[298] In British calculations, Africa was still largely underdeveloped politically, economically, and socially. These problems would have to be solved before the thought of independence could be entertained. The changing nature of political opposition to British rule, however, dictated otherwise. The people were demanding independence there and then. Britain was faced with two options. It could grant independence or embark on massive repression. Both options posed problems. Massive repression might lead to a war which Britain could ill afford to fight.

On the other hand, Commonwealth Africa was seen as an easy prey to Soviet expansionism. It was assumed that this region could not be excluded from the Cold War.[299] Britain was then faced with the problem of how to fill by other means the power vacuum to be created by decolonization. Irrespective of professed non-alignment by these nations, Britain sought a continued physical presence on the

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[298]Kenneth Kirkwood, Britain and Africa, (London: Chatto and Windus Ltd., 1965), pp. 182-189.

[299]C.E. Carrington, The Commonwealth in Africa [Report of an Unofficial Study Conference held at Lagos, Nigeria, 8-16 January 1962], (Oxford: Oxford University Press, 1962), p. 3.

continent. The East-West rivalry, as Edgar McInnis aptly described it, was such that:

> the balance of military strength is ... not necessarily the most important. The political attitutes of the countries that are formally uncommited, and the degree to which those attitudes show friendship or hostility towards the West, may determine whether a particular region can be counted on as at least benevolently neutral, or whether it will be malevolently alert to take advantage for its own purpose of any crisis in which the West may find itself involved.[300]

Neutrality of the underdeveloped countries was not only viewed as unreliable, but at best dangerous.

The conclusion was that if these countries were not in the Western camp they could not be trusted to stay outside of the Soviet bloc. However, since these nations could not be tied to the West by military force, foreign aid was essential. In the war "over men's minds", McInnis concluded:

> It is not enough to appeal to these lands on the negative basis of resisting a totalitarian threat to freedom or absorption by communist imperialism. There must be a positive basis, a promise of concrete benefits that will hold out the hope of advancement in the immediate future, if present obstacles to understanding are to be overcome and confidence is to be established between the Western democracies and the lands that were so recently subject to western imperialist rule.[301]

Outside of military occupation, foreign aid was the weapon available to Britain in the attempt to retain control. As Sir Andrew Cohen argued, it was in the British interest to "give material assistance" to these newly and soon to be independent nations.[302] In this rationale,

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[300]Edgar McInnis, The Atlantic Triangle and the Cold War, Toronto: University of Toronto Press, 1959), p. 113.
[301]Ibid, p. 114.
[302]Sir Andrew Cohen, "The New Africa and the United

foreign aid would create the necesary capital for economic growth. Material wealth would in turn maintain political stability. In no time, Cohen figured, these countries would be providing markets for British and Western goods. If no aid was given to these countries, Cohen concluded:

> their economic growth and general progress would be slowed down or stopped; at worse some of them might suffer a partial or complete breakdown of government, with all the internal and external dangers which that would involve.[303]

As earlier mentioned, foreign aid to the developing countries was predicated on the Marshall Plan. This conception or misconception also provided the basis for British foreign aid policy in Commonwealth Africa.

The policy required filling the vacuum created by decolonization in the region. More than any other nation Canada was well placed to take on the task. It ranked among the the richest countries in the world. Unlike the dominant United States and rival European powers, Canada was not in conflict or competition with Britain. Canada and Britain had a "special relationship" intricately intertwined in most aspects of their political, economic, and social interactions.[304] Given these circumstances, Canada posed no threat to Her Majesty in the British sphere of influence. Moreover, Canada was expected to make its contribution to the defense of the Western cause.

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[302](cont'd) Nations", International Affairs [London], Vol. 36, No. 4, (October 1960): 480-495.
[303]Ibid., p. 482.
[304]Louis St. Laurent, "The Foundation of Canadian Policy in World Affairs", Statements and Speeches, No. 472, (1947): 7.

Before granting independence to Ghana in 1957, Canada and the other members of the Commonwealth were therefore consulted. The issue represented a major agenda item at the Commonwealth Prime Minister's Meeting in June and July of 1956. Later in the year more consultations were held. With the willingness of the Commonwealth members, especially Canada, to help fill the vacuum, Britain was reassured and finalized arrangements to grant Ghana "independence within the Commonwealth"[305] Canada's role in this matter has not been examined in the literature on Canadian foreign policy. According to James Eayrs, the issue did not receive public attention.[306] Yet there were no doubts about the role Britain wanted Canada to play in Commonwealth Africa.

> The British were extremely anxious that Canada help fill the gap left by their departure. By establishing relations with Africa, Canada would indicate to Africans her confidence in their ability to rule themselves; emphasize the importance Canada attached to the Commonwealth; and illustrate to Africans that Canadians were relatively free from racial prejudice.[307]

With such confidence placed in Canada and in its political ability to relate to Africans, the government "eagerly looked forward to welcoming Ghana into the Commonwealth family".[308] True to the British desire, Canada was at Ghana's independence celebrations to show its

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[305]James Eayrs, Canada in World Affairs, October 1955 to June 1957, op. cit., p. 194.
[306]Ibid.
[307]Robert O. Matthews, "Canada and Anglophone Africa", in Peyton V. Lyon and Tareq Y. Ismael, eds., Canada and the Third World, (Toronto: The Macmillan Co., Ltd., 1976), pp. 89-90.
[308]James Eayrs, p. 195.

"confidence in Africans to rule themselves". In the following months diplomatic relations were established.[309] With the exception of South Africa, it was Canada's first official contact with Commonwealth Africa. Before then direct political relations were virtually non-existence. Trade and economic links were minimal. The only relations Canada had with the region were indirect. They were largely contingent upon Canada's membership in organizations such as the United Nations, the North Atlantic Treaty Organization, and the Commonwealth of Nations.[310]

Notwithstanding the humanitarian litany, politics appeared pervasive in Canada-Commonwealth Africa relations. The Cold War was the dominant factor. As in South and South-East Asia, the communist threat was seen as real. Canada was motivated by the need "to maintain a strong and united alliance with the West ... against the Soviet bloc".[311] Specifically, it was to defend and help protect the British sphere of influence from communist incursion. "Urged on by the Britsh, the Canadian government was anxious to ensure that the Soviet Union did not supplant British influence in the region".[312] A closer analysis of various government statements and speeches would tend to reinforce this. One such statement declared explicitly that Canada established ties with Commonwealth Africa "because of

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[309]Robert Matthews, "Canada and Anglophone Africa", p. 90.
[310]Douglas G. Anglin, "Towards a Canadian Policy on Africa", International Journal, Vol. 26, (Winter 1970-71): 293.
[311]Robert Matthews, "Canada and Anglophone Africa", p. 61.
[312]Ibid., p. 90.

Britain's involvement there".[313] Thus when the issue of economic assistance came up Canada did not question it. It was the essence of the anti-communist crusade to which Canada was an adherent.

Relations with Britain were only one aspect of Canada's foreign aid policy. Interactions with other Western nations, as already mentioned, were also part of the link. These determined to a considerable extent what was expected of Canada in international development assistance. They aslo guided Canada's response to the demands of the developing countries. Moreover, they influenced how much Canada allocated to development assistance. John Diefenbaker's experience showed the effects of this influence. In 1961 the sum of $10.5 million was allocated for the Special Commonwealth African Assistance Program. To be spread over three years, this was an increased from $50,000 in 1958. Likewise, contributions to the various international assistance programs were increased. In the 1961/1962 fiscal year alone, such increases amounted to about $7.19 milion. But because of the practice of lumping trade, investment and private donations into foreign aid, not everyone in the domestic and international arenas thought this was enough.

According to Diefenbaker, his government was subject to both domestic and international criticisms, on the basis that Canada was not seen to be doing enough.[314] However, not

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[313]CIDA, "Canada and Commonwealth Africa", (Ottawa: CIDA, Information Division, undated): 1.

[314]John Diefenbaker, <u>One Canada, Memoirs of the Rt. Hon. John G. Diefenbaker: The Years of Achievement</u>, (Toronto:

all Canadians took this position. In defense of their government, some argued that Canada should adopt an independent foreign aid policy. Diefenbaker, however, completely disagreed. Although the arguments were in support of his government, in his view:

> those who would have Canada separate itself from its closet friends forget that the capacity of nations to exert a beneficial influence in the world is in direct relation to the esteem in which they are held by other nations, and especially by their traditional friends. Canada's interests are promoted by staying in the circle to which it belongs; by contributing to the strenth and wisdom of the circle.[315]

In effect Diefenbaker's concerns were clear. Canada belonged to a collectivity. There were rules and guidelines which members had to respect. As long as Canada wished to remain a member of this distinguished community it had to conduct its foreign aid relations within the set norms. Canada should meet its obligations and bear its share of the collective responsibility as expected.

When Lester Pearson formed the government in 1963, the Liberals analyzed the issue in no different terms. Only the choice of words was different. According to Pearson's Secretary of State for External Affairs, Paul Martin,

> The foreign policy of any country and the extent of its activities in world affairs are determined partly by the inescapable conditions of its very existence and partly by the free choice of certain relationships and by decisions made in response to the wishes and interests of its people.[316]

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[314](cont'd) Macmillan of Canada, 1976), pp. 143-144.
[315]Ibid., p. 138.
[316]Paul Martin, Paul Martin Speaks for Canada: A Selection of Speeches on Foreign Policy 1964-1967, (Toronto: McClleland & Stewart Ltd., 1967), p. 155.

In the attempt to improve this "doing too little" image, Pearson proposed further increases in Canada's aid allocations. The level of contribution to the United Nations programs was raised. Bilaterally, aid to Commonwealth Africa was given over a 100 percent boost.[317] Efforts did not stop there. The government introduced more concessionary elements into its aid programs. Starting in the fiscal year 1964/1965, Canadian aid incorporated "long maturity periods". "Liberal grace periods with little or no interest" were also introduced.[318]

However, such innovative policies had implications. Striving to keep up with the international Joneses was one thing, trying to be far-ahead was another. When this was realized, it seemed accepted by the government that Canada would henceforth curtail its international development activities. In Martin's analysis of the situation:

> Our (Canadian) aid efforts cannot be viewed in isolation but rather as part of a broad collective effort. We would be failing in our responsibilities, both to the developing countries and the adavanced countries with which we are associated, if our policies were not consistent.[319]

Canada had reasons to be concerned. The community of the rich nations had a "code of conduct" guiding both the volume and quality of foreign aid given by its members.[320] All

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[317]Charlotte Girard, Canada in World Affairs 1963-1965, (Toronto: CIIA, 1980), p. 147.
[318]Ibid., p. 144.
[319]Cited in Overseas Institute of Canada, Canada's Participation in International Development [A Report based on the Second National Workshop on Canada's Participation in International Development], (November 12-18, 1965), p. 84.
[320]Economic Council of Canada, For a Common Future:, op. cit., p. 87.

members of the Development Assistance Committee "periodically review together both the amount and the nature of their contributions". Not only to multilateral programs but bilateral ones as well. Martin's particular concerns centred on the requirements that DAC members "consult each other on all ... relevant aspects of their development assistance policies".[321]

Accordingly, Canada had to ensure that its innovations were not out of tune with the collective intentions. Otherwise, as policy makers would argue, doing too little tarnished Canada's image, doing too much would be harmful. It not only limited effective contribution to overall policy, but it lessened Canada's influence on future directions.[322] Whether right or wrong, the validity of these arguments belonged on a different level of contention. The important point remained that Canada was preoccupied with conformity. It did not want to be seen as too far-ahead of its peers and it did not want to been seen as too far behind either. An armour against criticism, it served policy makers well in rejecting Third World demands.[323]

By the same token, the government strongly felt that if Canada had a leadership role in the field of international development assistance, it would be able to give policy

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[321]Ibid., p. 84.
[322]Peyton V. Lyon and Brian W. Tomlin, Canada as an International Actor, (Toronto: Macmillan of Canada Ltd., 1979), pp. 155-156.
[323]See CIDA, in Michael Tucker, Canadian Foreign Policy: Contemporary Issues and Themes, (Toronto: McGraw-Hill Ryerson, Ltd., 1980), p. 44.

direction. As Maurice Strong, then director general of the External Aid Office, stated:

> There are three overriding influences determining our age. One is the space race, one the nuclear arms race and the third is the development race. Canada has no role to play in the first two. But in the task of developing countries, we can be a major power. We know what development means because we've done it ourselves.[324]

Compared to other developed nations, Canada appeared confident that it had acquired a knowledge of the process of development in so short a time. Moreover, as Trudeau earlier stated, the primary threat to Canadian values and concepts was not necessarily the East-West balance of terror, but from the misery and poverty of the peoples of the South.[325]

Invariably, Canada sought a recognizable role towards improving life for the Third World. Paul Gerin-Lajoie, president of CIDA presented this argument before the OECD in 1972. After sharing Canada's thoughts on international development assistance, Gerin-Lajoie told the DAC's Committee on Aid why the mantle of leadership demanded review. In the earlier days of development aid, he stated:

> there was one major donor, a fairly large donor and the rest were small donors. More recently, however, this lopsided situation has significantly altered. With changes in the relative contributions and involvement of donors, we are now closer to a more balanced pluralistic relationship. As a result, the responsibility for producing new ideas and suggestions for making entrepreneurial decisions is and should be evenly distributed among us. In our

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[324]Quoted in Royd E. Beamish, "Foreign aid: why, what, how much?", Canadian Business, Vol. 41, (Oct/Nov 1968): 72.
[325]Pierre Trudeau, "A New Approach to Aid", in Arthur E. Blanchette, Canadian Foreign Policy 1966-1976: Selected Speeches and Documents, (Toronto: Gage Publishing Ltd., 1980), pp. 231-232.

> new pluralistic world some donor at particular moments of time may be able to take intitiatives in one or other particular area. And at other times in other areas the leadership will shift to others.[326]

Canada believed that the prevailing order in the field of international development aid demanded a review of responsibilities. Also priorities and rankings should be reordered. It was clear that Canada had taken on new roles and increased capability. All that it lacked was formal recognition.

This was reemphasized by the Parliamentary Task Force on North-South Relations in 1980. In its view of government capabilities, Canada was "uniquely placed to take a leadership role in the North-South dialogue".[327] The government could not agree more. For a country that lacked global physical coercive force, Canada had adequate diplomatic credit to face the challenge of acting as the North-South link.[328] Canada had acquired this credit by displaying a sympathetic interest in the problems and aspirations of the developing countries. Compared to the big powers, Canada is known for respecting national differences and varying political inclinations. Making its "support

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[326]CIDA, "The Future Role of DAC" [Address by Paul Gerin-Lajoie, President, CIDA, to the Committe on Aid and Development, OECD, Paris, October 16, 1972], (Ottawa: CIDA, Information Division, 1972), pp. 3.

[327]Canada, House of Commons, Parliamentary Task Force on North-South Relations, Report to the House of Commons on the Relations Between Developed and Developing Countries, (Ottawa: Ministry of Supply and Services, 1980), p. 17.

[328]For a discussion of "diplomatic credit" see Peyton V. Lyon, The Policy Question: A Critical Appraisal of Canada's Role in World Affairs, (Toronto: McClelland & Stewart Ltd., 1963), pp. 22-23.

necessary or at least desirable" has also been an aspect of Canada's diplomatic conduct. Without military might, it was the one option the government had. Unlike physical force, foreign economic assistance enabled communications with a vast array of countries without the accompanying resentment. In general, it allowed Canada access to various political regimes throught the world. The government cla[illegible]:

> Our membership in the Commonwealth, and la Francophonie ... give us close relations with a number of developing countries in Africa. We have hemispheric and historic ties with countries of the Caribbean and Latin America, while our Pacific coast gives us direct link with Asia.[328]

Closely analyzed, the message of this statement touches upon the fundamental aspects of Canada's relations with the developing countries. It tells much that there is to know. Undoubtedly, Canada has close relations with Commonwealth Africa. Although not all Canadian Prime Ministers have been able to cultivate as personal relationships with Commonwealth African leaders as Diefenbaker did with President Kwame NKrumah of Ghana or Pierre,Trudeau did with Julius Nyerere of Tanzania, in all cases the relations, whether personal or informal have been established by foreign aid. Take away foreign aid and a new basis for a sustained relationship would have to be found. This by no way meant to suggest that no relationship is possible without development assistance ties. The important point is that the existing Canada-Commonwealth Africa connections

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[328]Canada, External Affiars, Canadian Foreign Policy Texts, No. 8, (September 1981): 2.

were established by the politics of foreign aid. And up to the present time these same factors continue to maintain the relations.

These same political factors were clearly at play in the decision to concentrate aid in the countries of Commonwealth Southern Africa.[330] By the early 'seventies the South African government's manner of dealing with liberation movements in the neighboring territories was becoming a cause for concern for the West. It was not only destabilizing the region, it threatened the status quo. The nationalist opposition to the white minority regime of Ian Smith in Rhodesia even made the situation more complex. Southern Africa was therefore viewed as a region very prone to communist agitation. Britain was more or less directly involved in Ian Smith's Unilateral Declaration of Independence in 1965. Consequently, Britain could not be seen as neutral and hence not qualified to play a mediatory role in the matter. Political expediency excluded an overt presence by the United States. It might invite the Russians in an overt capacity as well.

Without these limitations, Canada was most suited to take charge of Western interests in the region. But unlike the United States or Britain, force, or the threat of it, was not Canada's strategy of dealing with such situations. As its most effective instrument of foreign policy towards

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[330]A most comprehensive treatment of this subject is Linda Freeman, "The nature of Canadian interest in black Southern Africa", (Unpublished Ph.D dissertation, University of Toronto, 1978).

the developing countries Canada stressed economic assistance. As Table 3 suggests, foreign aid to the region substantially increased; $3.13 million to Tanzania in 1970 been the highest allocation to any of these countries before then.[331]

Table 3 Aid increments in response to political crisis, 1971-1980 (Cdn $million)

Year	Tanzania	Botswana	Lesotho	Malawi	Zambia	Swaziland	Total
71/72	6.02	4.18	.07	.36	1.51	.03	12.17
72/73	6.22	15.00	.07	1.09	2.10	.04	24.52
73/74	17.67	8.98	.19	.27	2.35	.30	29.76
74/75	38.34	7.20	.62	9.11	4.39	.65	60.31
75/76	24.38	1.84	2.70	14.91	6.59	.54	50.96
76/77	14.78	1.69	3.11	3.57	11.85	1.48	36.48
77/78	24.99	2.89	6.35	18.65	6.93	1.80	61.61
78/79	32.98	2.40	3.65	15.80	18.06	1.99	74.88
79/80	27.64	3.56	7.02	15.96	15.98	1.69	71.85
Total	193.02	47.74	23.78	79.72	69.76	8.52	422.54

Sources: CIDA, Annual Review, 1969-1981

In the view of the Canadian government, any armed hostility in the region would "inevitably involve outside powers and threaten a new conflict equal in magnitude to the tragedy of the Middle East or Vietnam".[332] It was assumed that such a conflict would automatically involve the Soviets. If the West sided with the white minority regimes, the only power left to support the nationalist movements would be Russia or the East bloc. Aid in this context could not be couched in

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[331]CIDA, Annual Review 1971-1972, p. 78.
[332]Mitchell Sharp, cited in John P. Schlegel, The Deceptive Ash: Bilingualism and Canadian Foreign Policy in Africa, 1957-1971, (Washington, D.C.: University Press of America, 1978), p. 74.

humanitarianism.

Like the earlier days of communist activities in Asia, it was overtly political. This was plainly stated by the head of the Canadian delegation to the Southern Africa Development Co-ordination Conference (SADCC) in Lusaka, Zambia, in 1984. The "underlying reason for" Canadian assistance to the region, he said, "is our opposition to South African policies ...".[333] As one observer summarized it, the concentration of aid in the Commonwealth countries of Southern Africa never had any "trappings of altruism". It was "overtly political. It grew out of the conviction that to become a principal Western friend of black Africa, the Commonwealth had to be utilized to its fullest extent".[334]

The use of foreign aid as an instrument of diplomacy was not, however, confined to the Commonwealth. In other parts of the continent, economic assistance also appeared the most visible element of Canadian policy. This was especially evident in the case of the Francophone states. Economic assistance to Francophone Africa was precipitated by Quebec's challenge to the federal government. By the 'sixties, Quebec's Quiet Revolution was anything but tranquille. Quebec intellectuals, politicians and mass media were all criticizing the federal government for its English bias. Like other aspects of Canadian existence, they demanded that foreign aid mirror French culture and

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[333]External Afairs, "Aid Policy", International Canada, (Feb/March 1984): 14
[334]John P. Schlegel, op. cit., p. 78.

language. In newspaper editorials, academic writings and commentaries the arguments were the same. The English Commonwealth, they emphasized, should not be the sole focus of Canada's external assistance. The French language and culture needed to be recognized and the Francophone nations aided as much as much as the Anglophone countries.[335] As one of the editorials concluded, the neglect of Franchophone for Anglophone Canada certainly called into question "equality and justice" in Ottawa's policies.[336]

Diefenbaker responded by creating the Francophone African Programme. In 1962 the sum of $300,000 was allocated to the program. Compared to the $10.5 million allocated to Commonwealth Africa, it was modest. It appeared as an expedient gesture in showing some efforts at aiding others than Anglophones. Quebec was however not impressed. In 1963 the problem became Lester Pearson's. While concerned with Canada's international image, he was also preoccupied with problems of internal unity. Coincidentally and fortunately, both issues were aided by raising the level of economic assistance. Development aid to Francophone Africa was increased thirteenfold in 1964.[337] It was again increased in 1967. The problems of Quebec nationalism and sovereignty claims were, however, no closer to a solution when Pierre

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[335]Foreign aid and the problems it posed for bilingual Canada is the specific topic of John P. Schlegel, op. cit., chapters 5-7.

[336]Keith Spicer, "Clubmanship Upstaged: Canada's Twenty Years in the Colombo Plan", International Journal, Vol. 25, No. 1, (Winter 1969-1970), pp. 26-27.

[337]Charlottee Girard, Canada in World Affairs 1963-1965, op. cit., p. 147.

Trudeau became the Prime Minister in 1968. The problem had a new twist to it. The Francophone African countries were more or less according Quebec international recognition.

Like his predecessors, foreign aid was the most tested political strategy Trudeau had in dealing with the developing countries . He made use of it to the fullest extent. Moreover, as Lester Pearson's emissary to Francophone Africa a year earlier, Trudeau understood the nature of the problem. In his first year in office, he allocated the sum of $23 million in aid to the Francophone African countries.[338] He spent even more to lobby these nations to accept the Federal Government as the sole reperesentative of all Canadians.[339] The crucial moment came at the formalization of the Agence de Cooperation Culturelle et Technique in 1970. Until then Quebec had enjoyed the status of a quasi independent state. Signing the formal declaration of "la Francophonie", however, would mean a defacto recognition of Quebec as a sovereign entity in international affairs. This had been Quebec's quest all along.

Prime Minister Trudeau was, however, determined that Ottawa and only Ottawa would hold this status. A delegation, the Chevrier Mission, was sent to seek audience with the Francophone African countries. The strategy was to bring

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[338]Keith Spicer, "Clubmanship Upstaged: Canada's Twenty Year in the Colombo Plan", p. 27.
[339]Clyde Sanger, "Canada and Development in the Third World", in Peyton V. Lyon and Tareq Y. Ismael, eds., Canada and the Third World, (Toronto: Macmillan of Canada Co., Ltd., 1976), p. 283-284.

these nations to see the issue of Canada's representation from Ottawa's view point. It was particularly important that Ottawa get the backing of Niger, the host country. The Mission "was authorized to approve aid projects and to commit funds on the spot".[340] It did. According to Sanger, apart from the increased aid to Niger, Ottawa included the financing of a $31 million highway project as part of the bargain.[341] In the end the Federal Government prevailed. Seen in terms of funds committed, in less than a decade "la Francophonie" became the focal point of Canada Africa relations. But "until the Quebec-Ottawa imbroglio erupted" it was just a region of minimal interest.[342] Table 4 presents a comparison of aid to the Commonwealth and la Francophonie.

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[340]Arthur E. Blanchette, ed., Canadian Foreign Policy 19661967: Selected Speeches and Documents, op. cit., p. 300.
[341]Clyde Sanger, "Canada and the Third World", p. 283.
[342]Louis Sabourin, "Canada and Francophone Africa", in Peyton V. Lyon and Tareq Y. Ismael, eds., Canada and the Third World, op. cit., p. 144.

Table 4 Aid disbursements to the Commonwealth and la Francophonie (Cdn $million)

Year	Commonwealth	La Francophonie	Total
61/62	3.50	-	3.50
62/63	3.50	.03	3.53
63/64	3.50	.03	3.53
64/65	7.41	.03	7.44
65/66	9.50	4.04	13.54
66/67	16.00	10.68	26.68
67/68	17.01	12.09	29.10
68/69	15.30	14.43	29.73
69/70	15.49	21.66	37.15
70/71	21.65	29.70	51.35
71/72	38.23	45.13	92.36
72/73	50.32	59.08	109.40
73/74	61.43	66.65	128.08
74/75	85.50	98.54	184.04
75/76	89.83	104.99	194.82
76/77	67.39	88.70	156.09
77/78	92.18	110.74	202.92
78/79	101.52	137.14	238.65
79/80	103.69	181.98	285.67
80/81	89.22	149.07	238.29
81/82	123.87	133.31	257.18
82/83	127.03	144.83	271.86
83/84	104.01	137.56	241.57
84/85	141.79	195.82	337.61
85/86	(157.00)	(165.00)	(322.00)
Total	1389.87	1746.23	3136.10

Note( ): The 1985/86 figures are proposed allocations and not entered for calculations.
Sources: CIDA, Annual Review, 1966-1986.

Comparing the two political conglomerates, Dale Thomson and Roger Swanson concluded that the "Commonwealth was moulded to suit Canadian needs and concepts". La Francophonie was different. It leaders were not overly versed in these needs and concepts. They would not even accept them until Canada forced its way into their milieu, and "almost literally sold her views to a majority of

members".[343] It is, as Edgar McInnnis noted earlier, not always enough to appeal to people on the negative basis of threats and concepts they know little or nothing about. There must be a "positive basis". It has to be shown that the ideas being pushed hold promises of concrete benefits. Until Ottawa sent the Chevrier Mission, 'federal purse in hand', the Francophone African countries seemed not overly interested in which government represented Canada in "la Francophonie". But appeal on a "positive basis" helped in swaying them.

In spite of the relegation of Quebec because of Ottawa maneuvers, many are nontheless skeptical about the nature of Canada's influence with the developing countries.[344] Given this situtation, Canada's lack or desire for influence through its economic assistance could be exaggerated. Observers of this perspective still tend to see foreign aid in its original vision of buying the loyalty of the developing countries and swaying their vote in international forums. Not only are these arguments obsolete, but they assume that the developing nations have no will and interest of their own. It is taken for granted that because the poor nations are recipients of Canadian aid, any issue raised by Canada in international affairs is necessarily in the particular interest of the developing countries.

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[343]Dale C.Thomson and Dale F. Swanson, Canadian Foreign Policy: Options and Perspectives, (Toronto: McGraw-Hill Ryerson Ltd., 1971), p. 83.

[344]See Peyton V. Lyon, "Introduction", in Peyton V. Lyon and Tareq Y. Ismael, eds., op. cit., pp. xxxviii-xlii.

Don Jamieson as Seceretary of State for External Affairs viewed it differently. In his experience, where a congruence of interests existed between Canada and the developing countries, support and a close working relationship was possible. He described it thus:

> Our status with the Commonwealth and with Francophone countries gives us the opportunity to speak to both of these large constituencies, to work with them and also to call upon them for support on occasions, when there are issues on which we have a common feeling and which we wish to advance either at the United Nations or in some other international forum.[345]

As often as such issues are on the agenda, it is only politically expedient that Canada and the developing countries take a common stand. Even when matters of common understanding are not always there, Canada still needs this rapport with the Third World. That is, if it is to continue to play its role of a bridge builder.

Another Secretary of State for External Affairs, Allan MacEachen, saw the prevailing international situation in similar terms. In his view, "Canada cannot afford to isolate itself from the continent" of Africa,[346] According to MacEachen, there seemed to be no doubt that,

> Even if the passage of time has eased some of the post-independence strains between African states and their formal colonial masters, there are still quite a few situations where governments would prefer to deal with a country like Canada that has no colonial past.[347]

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[345]Don Jamieson, "Canadian Foreign Policy: A 1978 Perspective", Statements and Speeches, No. 2, (1978): 6.
[346]Allan J. MacEachen, "Canada and Africa", Statements and Speeches, No. 2, (1975): 5.
[347]Ibid., p. 1.

Everything taken into consideration, MacEachen concluded: "Canada has no real alternative to foreign aid in its relations with Africa"[348] nor with the majority of the developing countries for that matter.

Broadly speaking, the hemispheric and historical ties with the nations of the Caribbean are on the same basis with Africa. Since formal relations were established in 1958, it is foreign aid that continues to be of major significance in the exchange. The direct Pacific coast link with Asia could also be viewed in the same context. Excluding Japan, Canada's relations with Asia on a formal diplomatic level began with the Colombo Plan. Since then it has been political aid-trade trade relationship with one following the other. Seen in this context, foreign aid with its attendant economic benefits is a political tool fashioned by the Cold War. But it has transformed into Canada's avenue for meaningful participation in world politics. In the prevailing international order it is Canada's major link with the Third World. Succeeding governments may have different response to the internal and external factors that shape this world order. But as long as the Third World remains underdeveloped, Canada seems to have no alternative to foreign aid in its relations with the developing countries. Moreover, participation in international development assistance is the "minimal requisite" in adjudicating in the North-South dialogue.

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[348]Ibid.

VII. Conclusion

This study set out to examine the motives which serve to inform Canadian foreign aid policy. It does not pretend to have discovered grand theories of Canada's development assistance. It has only opened a fresh insight into its analysis by going a step above existing contentions. To arrive at this stage of analysis, government statements and scholarly views on aid policy were examined. There is a distinction to be made between the two. As in other fields of academic endeavor, Canadian foreign aid analysts tend to write primarily to inform for knowledge sake. This is not to claim that other motives are to be excluded. World outlook, emotions and support for government policies cannot be totally ignored. The government, on the other hand, has one basic purpose for its declarations. It seeks specific and concrete political objectives. Since this means coming face to face, if not in conflict, with non-governmental actors, the government has a range of options in reaching its goals. James F. Keeley argues that the government can "replace" these groups, "coerce them or enlist their aid".[349]

In a society or system such as Canada not all these options are within the norms of accepted government behavior. Under the present system, it would be very difficult if not impossible to replace private actors.

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[349]James F.Keeley, "Interest groups in Canadian-American economic relations: two cases from a distant past", in Don Munton, ed., Groups and Government in Canadian Foreign Policy [Proceedings of a Conference, Ottawa, Canada, 9-12 June 1982], (Toronto: CIIA, 1985), pp. 62-64.

Politically, it would be very expensive if not counterproductive to coerce the society into supporting unpopular policies. As long as the government cannot replace these actors or successfully coerce them, it is only politically expedient to "obtain their cooperation". To this end, it directs different appeals to different interest groups to retain their support for foreign aid.

The public is receptive to humanitarianism and supports aid on moral grounds. As analysis suggests, any claim to philanthropy and altruism in Canadian foreign aid could only find basis in the government's interest in maintaining the support given to the program by the general public who understands aid as a Christian problem of alms giving. There is, however, a wide gap between humanitarian declarations and the reality of aid policy. All government declarations emphasize concentrating assistance on the poor. In practice, this has not been the case. What tied aid would allow has not generally been appropriate to the needs of the poorest of the poor. A major proportion of foreign aid goes to a few countries. The poorest of the poor, supposedly the ones with the most pressing needs do not receive aid based on relative need.

Depending on the political situation and absorptive capacity, some countries are considered more attractive for Canadian aid than others. Nigeria, Tanzania, and Ghana, for instance, received more aid in the period 1968-1975 than the other Commonwealth African countries combined. The failure

to meet the objectives of the "high-point of humanely-motivated Canadian aid policies" best exemplify the "gap between rhetoric and policy, let alone practice ...".[350] Altruism may help explain aid in emergency situations such as the Sahel famine in 1971/1972 or the current situation in Ethiopia, but not aid for development assistance.

This is not to deny that policy makers are morally attuned to the needs of the developing countries, as Peyton Lyon suggested. It is just that they also "see to it that humanitarianism doesn't hinder unduly the search for economic (and political) advantage(s)".[351] It is quite properly argued that "moral arguments ... seldom constitute sufficient reason for action between states".[352] K.B. Griffin and J.L. Enos stressed the argument further:

> Individuals may be humane and disinterested, but nations are not. When people collect together to promote their own interests, they lose their sympathy for others.[353]

Philanthropy is an act properly experienced on an individual basis. It hardly rests in government organizations or

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[350]Benard Wood, "Canada and Third World Development: Testing Mutual Interests", in Robert Cassen et al, eds., Rich Country Interests and Third World Development, (London: Croom Helm Ltd., 1982), p. 99.

[351]Steven Langdon, "Canada's Role in Africa", in Norman Hillman and Garth Stevenson, eds., Foremost Nation: Canadian Foreign Policy and a Changing World, (Toronto: McClleland & Stewart Ltd., 1977), p. 196.

[352]Economic Council of Canada, For a Common Future: A Study of Canada's Relations with Developing Countries, (Ottawa: Ministry of Supply and Services, 1978), p. 31.

[353]K.B. Griffin and J.L. Enos, "Foreign Assistance: Objectives and Consequences", Economic Development and Cultural Change, Vol. 19, (April 1970): 314.

bureaucracies. The humanitarianism displayed by Canadian foreign aid decision makers is too superficial to be a major determinant in policy making. Individual morality does not necessarily translate into government policy. Factors other than humanitarianism are capable of informing us more about the motives of Canadian aid policy.

Economic considerations occupy a level higher than philanthropy in Canadian foreign aid policy. In general, the government needs to retain a minimum level of support for its policies. This support usually derives from providing an adequate or acceptable response to societal demands. In aid policy, the public demand is satisfied by justifying development assistance in humanitarianism. The private sector, on the other hand, demands more than moral satisfaction from Canada's development assistance. Foreign aid in the view of business and industry should be concentrated on trade and export promotion. Although aid has never been more than 0.54 percent of Canada's gross national product, it has enabled some manufacturers and companies a feeble presence in Third World markets. Given as contracts to domestic firms, tied aid has enabled many enterprises to weather bad economic times. For some, foreign aid largesse may mean the alternative to bankruptcy. As Sheldon Gordon noted, "The foreign-aid program has, in fact, been (the government's) costliest subsidy to Canadian private enterprise".[354] Given the circumstances, the government

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[354]Sheldon Gordon, [Canadian Aid Policy] "What's in it for us?", International Perspectives, (May/June 1976): 20.

response is compromised. At budget time it cannot fail to consider the interest of the private sector. Afterall, what the private sector has to offer determines what recipients get. In this direction, as Gary Gallon points out, only so many questions can be relevant. The most important are:

> How many Canadian jobs can CIDA's aid create? Which ailing Canadian industries can the government prop up with CIDA contracts? Which Canadian companies operating overseas require such facilities as roads and electricity to be built by CIDA?[355]

As indicated in chapters four and five, business and industry lobby hard to see these questions answered to their satisfaction. CIDA boasts of creating an estimated 100,000 man-years of work. It highlights placing 7,564 contracts with Canadian firms. It is reluctant in using the 20 percent untied aid in developing countries because such usuage does not guarantee Canadian goods and services. Development aid allocations, with increasing emphasis, are being shifted away form those countries at the lower end of the development scale which lack the absorptive capacity for Canadian goods and services. Despite claims of philanthropy, such practices would only lead one to conclude that economic benefits are of major consideration in giving aid. As Allan MacEachen the Minister responsible for CIDA stated, Canada's foreign aid "disbursements" had never been constrained by the

> generosity of the people of Canada or of the Treasury Board but rather the absorptive capacity of the recipient countries and CIDA's ability to

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[355]Gary Gallon, "The aid fix: pushers and addicts", International Perspectives, (Nov/Dec 1983): 12.

process and manage projects effeciently.[356]

A decade later the problem remained; the absorptive capacity of many recipients have not increased to any appreciable extent. Even that of many, particularly the "most seriously affected" countries, have the tendency of diminishing. And as long as this problem remains and aid continued to be tied to Canadian goods and services, the practice of shifting aid funds to those countries offering export opportunities would remain.

Regardless of what government declarations are and what decision makers say publicly, economic benefits are of considerable importance in foreign aid policy. Analysis suggests that they outweight moral or ethical considerations. For example, the major reorganizations in the Department of External Affairs have been mostly for the purpose of serving business and industry better. The Trade Commissioner service, the Aid-Trade Fund, and other similar schemes are all geared towards trade and export promotion. Specifically, Canadian aid to Africa continues to reflect domestic economic concerns. So far, it is regarded by business and industry as the only means with which their presence could be maintained in the region. The continued inability by the government to untie or relax the Canadian content regulations, as promised in various declarations, is one indication. Contrary to the arguments presented by scholars, as consulted above, Canada derives real economic

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[356]Allan J. MacEachen, "The General Policies of CIDA", Statements and Speeches, No. 9, (1975): 2-3.

advantages from its foreign aid. Yet compared to some estimates of alternative use of aid funds, these benefits would appear to be too small to be the decisive factor in foreign aid policy.

Compared to the humanitarian or economic rationale, political motives appear overwhelmingly and consistently decisive in Canadian foreign aid policy. They are present in both the internal and external dimensions of policy. Before the Colombo Plan in 1950, Canada's relations with the developing countries were not central to its foreign policy. Such relations, where they existed, were at best indirect. In most cases contacts were made through multilateral institutions such as the United Nations and the Commonwealth of Nations. Communist expansionism in Asia changed all that. Soviet activities challenged Canada's ideals of a world where force and coercion were not the only instruments of state interaction. Canada as a free Western nation could not stand by while the forces of totalitarianism took over the world. Although reluctant at first, Canada joined the anti-communist crusade. With the United States leading the crusade and Britain minding the rear, Canada fell into line.

Economic assistance to Commonwealth Africa followed a similar pattern. In the context of the prevailing Cold War, foreign aid was adopted. It was seen as the means with which to keep the emerging African nations from joining the Soviet camp. It soon came to be realized, however, that foreign aid had not been necessarily effective in dissuading the

developing countries from experimenting with different political and economic ideologies. Canada accepted and has respected this reality. It gave Canada the required flexibility to interact with the Third World without the forces of invasion or occupation. After all:

> as a middle-power nation without great military and economic strength, Canada had a powerful interest in helping to build institutions and methods of co-operation which did not rely solely on power.[357]

Without the capability, motive or desire to invade Grenada or occupy Afghanistan, foreign aid is Canada's open line of communication with the majority of Third World states. Involvement with or commitment to international development assistance has proven to be one of the most, if not the only, constructive way Canada could participate in the international community, beyond the leauge of developed nations. External assistance opens avenues for political and economic interaction. It is a relationship which gives Canada access to information it cannot obtain otherwise. As true today as it was when made in 1953, Lester Pearson, as Secretary of State for External Affairs said of political relations:

> In our concentration of interests over new methods of consultation, over new international agencies to be set up, we sometimes forget that we have an old and tried method of consultation through the regular diplomatic services .... Our best source of information are usually the messages which we get from our representatives abroad.[358]

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[357]Canada, House of Commons, Parliamentary Task Force on North-South Relations, Report to the House of Commons on the Relations Between Developed and Developing Countries, (Ottawa: Ministry of Supply and Services, 1980), p. 18.

[358]Quoted in James Eayrs, The Art of the Possible:

The existence of diplomatic relations accords Canada the right to locate embassies, high commissions or charge d'affairs in the developing countries. As James Eayrs succintly described them, they are "Canada's own listening posts abroad".[359] The Canadian High Commissioner in India enabled Canada to closely follow events in China and other parts of Asia in the 'fifties and 'sixties than would have been possible.[360] Beginning with Ghana in 1957, similar links were established with Commonwealth Africa. In 1960 it was Nigeria. With the independence of Tanzania two years later, "Canada's own listening posts" were created in East Africa. As other Commonwealth African countries became independent, same links were forged. In an observation by Robert Matthews, the setting up of High Commissions in the region had one major purpose. They were strategically located "to observe events in various parts of Commonwealth Africa".[361] The same useful political functions were emphasized in Canada's decision to increase foreign aid to the black south African nations in the 'seventies.

Beyond reasons of external activities, however, are exigencies of internal political factors. Economic assistance to Francophone Africa exemplifies this. It was

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[358](cont'd) Government and Foreign Policy in Canada, (Toronto): University of Toronto Press, 1961), p. 141.
[359]James Eayrs, Ibid., p. 136.
[360]Dale C. Thomson and Roger F. Swanson, Canadian Foreign Policy: Options and Perspectives, (Toronto: McGraw-Hill Ryerson Ltd., 1971), pp. 79-83.
[361]Robert O. Matthews, "Canada and Anglophone Africa", in Peyton V. Lyon and Tareq Y. Ismael, eds., Canada and the Third World, (Toronto, Macmillan of Canada Ltd., 1976), pp. 88-93.

one specific instance where Canada overtly and in a coercive manner used foreign aid to influence the behaviour of recipients. The objective was to have the Francophone African states withdraw international recognition from Quebec. It could be entertained, therefore, that as an instrument of foreign policy, Canada does not see its development assistance devoid of influence or the search for political advantages. This is, however, no excuse to equate Canadian foreign aid policy with that of the United States or the Soviet Union. They seem ideological worlds apart. As Thomas Hockin rightly concluded, they are not to be judged alike. "Unlike the American", Canadian aid policy "is less messianic, less impatient, more sensitive to national differences, and more prone to the values of organization maintenance".[362]

Canada has accepted the fact that different political ideologies and systems could co-exist. This implies that the process of development is not a rigid dictate. Evidently, Canadian ideas are no longer limited to the confines of Western liberal democratic concepts of economic, social, and political system of government. Countries of varying political stripes benefit from Canada's development assistance, to the extent that countries like Tanzania and Ghana were countries of aid concentration. However,

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[362]Thomas Hockin, quoted in Joseph K. Ingram, "Canadian Foreign Aid Objectives: Perceptions of Policy Makers" [A Paper presented to the Annual Meeting of the Canadian Political Science Association, University of Toronto], (June 3-6, 1974): 15.

indirectly and in a more subtle manner, aid programs and projects present Canada with the opportunity to influence or moderate the development strategies of recipients. The transfer of resources in various forms could not largely ignore to incorporate some aspects of the Canadian system of societal organization and attitudes towards economic and political problem solving.

Viewed in this context, arguments suggesting that the government concentrate its foreign aid on a few countries fail to recognize aid as the means with which Canada interacts with the developing countries.[363] Canada has no colonial or traditional ties with the Third World. Unlike the Americans and Soviets, it lacks a coercive force of the magnitude to subjugate Third World states. Concentrate foreign aid in a few countries and Canada would lose the ability to play the role of a link between North and South.

While the combination of motives have a role to play in Canadian foreign policy, humanitarian, economic, and political motives considered separately, occupy different levels of influence. Humanitarianism in times of emergencies or natural disasters is recognized. Beyond that its influence is limited. Economic considerations are of importance. The government cannot afford to antagonize business and industry. It allows them to have a say, if not control, the contents of the aid program. Consequently, commercial benefits occupy a higher plane than moral

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[363]See Bernard Wood, "Canada and Third World Development: Testing Mutual Benefits", op. cit., p. 121.

sentiments. Compared to the ethical rationale or the economic arguments, political motives were primary in the decision to give aid to Commonwealth Africa. They were also dominant in the case of economic assistance to Francophone Africa.

It is, however, not limited to Africa. The features of Canadian foreign aid policy towards Africa suggests that this analysis may be equally applicable to other parts of the Third World. There are three important features of the foreign aid decision making process which would suggest the appropriateness. The first, and most important, of the characteristics is the political nature of aid. Whether in Commonwealth Africa or la Francophonie, foreign aid is an instrument of diplomacy. This process put in place structures that facilitates communications. As Leonard Dudley and Claude Montmarquette conclude:

> the existence of political links with Canada practically guarantees a positive amount of aid from Canada, regardless of the developing country's other characteristics.[364]

Justifing aid in humanitarianism for public support is more or less a creed. In fact any attempt to do otherwise may result in the break down of the entente between the major political parties.

A sign of this could be gleaned from the Joe Clark interregnum in 1979/1980. The underlying political motivations of Canadian aid became an issue in Parliment.

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[364]Leonard Dudley and Claude Montmarquette, The Supply of Canadian Foreign Aid: Explanation and Evaluation, (Ottawa: Economic Council of Canada, 1978), p. 101.

Unusual, an inexperienced Secretary of State for External Affairs, Flora MacDonald attempted to present foreign aid "telle qu'elle est".[365] The opposition parties, however, disagreed with such exposition of the true motives of aid. According to Pierre Trudeau, Opposition leader at the time, the politicization of aid would only tarnish

> Canada's solid and established reputation as an open, committed and generous ally of the Third World in the fight for greater economic and social justice ....[366]

Trudeau was of the opinion that such an open declaration about the political motives of foreign aid would only serve to possibly discredit the acclaimed government philanthropy. Other members of the opposition were quick to join the attack.[367] For the first time in the House of Commons there appeared to be a disagreement over the principles of foreign aid.

Until at such a time when forces would converge to untie aid and procurement regulations, allocating aid funds for the promotion of trade and export would help to ensure that the program is supported by business and industry. International opinion, as has been shown, would continue to play its moral role. Forums like the United Nations and the OECD would be the more powerful force in this direction. If not for any other reason, for the fact that "the force of world opinion, channelled through agencies such as the

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[365] See chapter two.
[366] Canada, House of Commons, House of Commons Debates, 31st Parliament, 1st Session, (October 12, 1979): 140.
[367] See comments by Pauline Jewett, NDP External Affairs Critic and Roy MacLaren, Ibid., pp. 140-141.

United Nations and the OECD, cannot be lightly dismissed".[368] And only few theoretical perspectives may be capable of capturing this complexity.

Of the contending approaches to the analysis of Canada Third World relations, the findings of this study suggest that pluralism, its variants and marxian perspectives appear inadequate. In the attempt to explain this relationship, pluralism assumes that the structures of democracy allow groups to exercise equal influence on government policy in a given direction. The state is therefore viewed as a broker of interest groups demands, with no more than a passive and reactive role in societal affairs. Although the core marxian view has evolved from a simplistic notion of the state as an instrument of the ruling class, even the more sophisticated variants still regard the state as a center with no interest of its own. In these later conceptualizations, the role assigned the state is that of a guardian, functioning to preserve the capitalist mode of production.

The inadequacies of these approaches lie first in the discrepancy between theoretical formulation and actual practice. In the first place, the decision to give aid does not result from the aggregation of interest groups' demands nor public preference. Were this to be the case, Canadian foreign aid would be largely humanitarian, following public desire. If aid were to represent the wishes of business and

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[368]Peyton V. Lyon, "Introduction", in Peyton V. Lyon and Tareq Y. Ismael, eds., Canada and the Third World, (Toronto: Macmillan of Canada Ltd., 1976), p. xxx.

industry, there is the tendency that it would be given solely for commercial benefits, and only those countries with absorptive capacity for Canadian goods and services would be strictly considered. Or in the extreme, it would be invested in domestic programs estimated as equally capable of creating the same or more number of jobs as aid funds. The government, it seems, defines the national interest in international development, before calling for the suport and cooperation of all groups. It is in the process of giving this support that groups attempt to influence the form which aid takes.

In this respect, contrary to the pluralist assumptions, economic interests and moral ethics have not equally influenced foreign aid policy. Business and industry, with more clout and resources at their disposal, have been more successful in communicating their interest to the government. Unlike the private sector, the public and its moral groups with concerns for human rights and justice have been less successful. From the government's definition of Canada's interest in external assistance, what is morally right may not be politically expedient. Given this situation, the state can act on its preferences, as long as it can get influential groups to go along or cooperate with it. This is the central thesis of the statist approach which argues for the relative autonomy of the state to pursue its definition of the national interest. The findings of this study tend to support this conceptualization over the

marxian or pluralist approaches. Essentially, it states that the state can broadly define the direction that policy takes, and if necessary give up something in exchange for domestic support. In the area of international development assistance, this more than other approaches, gives a better assessment of the relationship between state interest and societal interest.

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